

Final Report

Strategic Housing Study

City of Glendale, Arizona



Final Report

April 28, 2008

Strategic Housing Study

Prepared for

City of Glendale
6829 North 58th Drive
Glendale, Arizona 85301

Prepared by

BBC Research & Consulting
3773 Cherry Creek N. Drive, Suite 850
Denver, Colorado 80209-3868
303.321.2547 fax 303.399.0448
www.bbcresearch.com
bbc@bbcresearch.com

Table of Contents

ES. Executive Summary

No Stranger to Change.....	ES-1
Finding Housing in Glendale	ES-2
Who cannot afford to live in Glendale?.....	ES-4
What can the City do?	ES-4

I. Introduction

II. Community Profile

Summary Findings	II-1
Population Growth.....	II-1
Age Distribution	II-2
Race and Ethnicity	II-3
Persons with Disabilities	II-5
Household Composition.....	II-7
Income.....	II-9
Economic Characteristics.....	II-13

III. Housing Market Analysis

Summary Findings	III-1
Housing Supply.....	III-2
Housing Cost and Relative Affordability	III-12
Affordability Analysis	III-21
Workforce Analysis	III-31

IV. Profile of Assisted Housing

Types of Assisted Housing Units	IV-1
Glendale Public Housing Authority.....	IV-5
Low Income Housing Tax Credits	IV-9
Expiring Use Units	IV-9
Housing to Serve Special Needs Populations	IV-10

Table of Contents

V. Best Practices

Top Needs.....	V-1
Funding for Programs.....	V-2
Glendale’s Current Programs	V-3
Recommendations	V-4
Best Practices.....	V-8
Keeping Units Affordable.....	V-12
<i>Case Studies:</i>	
Density Bonuses and Fee Waivers to Produce Workforce Housing	V-13
Land Donation for Workforce Housing	V-14
Discounted Land Sale for Affordable Senior Housing	V-15

VI. GIS Data Analysis

Methodology	VI-1
Population.....	VI-2
Income.....	VI-3
Employment.....	VI-8
Housing	VI-10
Areas of Risk	VI-18

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Glendale Strategic Housing Study

In 2007, BBC Research & Consulting (BBC) of Denver examined how easily the City of Glendale's (City) workforce and residents could to buy, rent and maintain homes in the City. This Executive Summary contains the findings from the study, along with recommendations for how the City can better meet its housing needs.

In conducting the study, BBC examined housing needs for all residents in the City. This includes:

- Seniors—both renters and owners;
- Residents of all income levels—both high and low;
- Families of all types; and
- The City's workforce.

The findings from the study follow, beginning with some background information on the City of Glendale's population.

No Stranger to Change

Glendale has experienced substantial change in the past decade. The City's housing stock has grown by about 38 percent since 1990. On average, the City has added more than 1,400 units to its housing stock every year between 1990 and 2006.

The growth in housing units has provided an opportunity for more than 92,000 new residents of Glendale. The City added an average of almost 5,800 residents per year between 1990 and 2006.



This growth has benefitted the City in many ways. Downtown Glendale is experiencing revitalization, new commercial properties and recreational/sports opportunities have developed, exciting housing products are being built, and the City's residential vacancies have declined.

The growing popularity of Glendale also has some challenging consequences. Housing prices have risen dramatically since 2000, meaning that fewer of the City's workers can buy homes. In addition, seniors living on fixed incomes who own their homes are unable to move within the City if they need to downsize. Finally, many of the City's renters have difficulty finding a rental unit they can afford.

Finding Housing in Glendale

Buying. It is easy to buy a home in Glendale if you earn more than \$50,000. However, the vast majority of the City's renters—78 percent—earn *less than* \$50,000. This means that there is little hope of turning these renters into owners. This is especially problematic for households with children, since having a permanent place to live is a stabilizing influence on a child's performance in school.

Chandler and Sherry Johnson	
Age:	26 years old
Occupation(s):	Chandler: School Teacher Sherry: Accounting Asst.
Household status:	Married, 1 Child
Annual earnings:	\$64,650
Affordable mortgage:	\$1,616
Housing available in Glendale, AZ?	Yes, but only if both parents continue to work.

Buying was easier for renters in 2000. Six years ago, 44 percent of renters in the City could afford to buy a home at the median price of \$113,300. In 2006, just 14 percent of renters could afford to buy the median priced home of \$243,000. Compared to surrounding communities, Glendale is the 4th *least* affordable by this measure, after Scottsdale, Tempe and Gilbert. It is easier for renters in other communities—particularly Chandler, Mesa and Peoria—to buy homes.

Who are the renters who cannot afford to buy? A review of the demographics of renters in Glendale shows that:

- one-third are young adults, age 25 to 34;
- more than half are married-couple families;
- about 40 percent have children at home; and
- 45 percent have attended college.

Owning. Current owners are lucky to have a home in Glendale, particularly those earning less than \$50,000. If these households have to move within the City—e.g., to downsize, for schools or a new job, or because they have become disabled and their home no longer meets their needs—they will find it difficult.

Flora Henderson	
Age:	72 years old
Occupation:	Retired
Household status:	Single, living alone
Annual earnings:	\$7,236
Affordable rent:	\$181
Housing available in Glendale, AZ?	Only rental properties through a Section 8 voucher, public housing, or subsidized elderly housing assistance.

Owners earning less than \$20,000 may need financial help maintaining their homes or making emergency repairs. It is important that the City help keep these owners in their homes, because replacement housing that they can afford does not exist.

Who are these owners? Study findings show:

- one-fifth is elderly;
- one-fourth has a disability (and might also be elderly); and
- by family type, most are single or single females with children.

Renting. A little less than half of the City’s renters can easily afford the median rent, and renters earning more than \$25,000 have an adequate number of rental units from which to choose.

This leaves about half of the City’s renters unable to afford the median rent. Renters earning less than \$20,000 per year have the hardest time finding affordable units. In 2006, about 10,200

renter households—one-third of all renter households in Glendale—earned less than \$20,000. These households need to pay \$450 or less in rent and utilities each month to afford their housing costs, leaving money left over for other household expenses. Glendale has approximately 3,700 units affordable to these renters in addition to rental assistance vouchers—leaving a gap of 6,500 underserved households.

Bob Vasquez	
Age:	45 years old
Occupation(s):	Janitor
Household status:	Divorced, 2 Children
Annual earnings:	\$24,500
Affordable rent:	\$613
Housing available in Glendale, AZ?	Can afford to the rental of a home, but cannot afford to buy.

Who are the renters who cannot find affordable rental units? Study findings show:


- one-sixth is elderly;
- one-fourth has a disability (and might also be elderly); and
- many are poor married couples with children or single females with children.

Workforce housing. The lack of housing at certain price levels has implications for Glendale’s ability to house its current and future workforce. Except for workers in managerial and professional positions, it is challenging for most workers to afford a median priced rental unit. Moreover, for workers earning the average salary in many professions, it is not possible to buy the median valued home. Even with two earners, workers in service and support occupations, sales, construction and production, as well as transportation jobs, cannot afford to buy in the City.

Who cannot afford to live in Glendale?

- Renters earning less than \$50,000 find it very difficult to buy in the current market. This means it is unlikely that the majority of the City's renters will become owners in Glendale.

- At average wage rates, much of the City's workforce cannot afford to buy in Glendale even if their spouse works.



Bethany Lee	
Age:	19 years old
Occupation(s):	Full-time Retail
Household status:	Single
Annual earnings:	\$14,560
Affordable rent:	\$364
Housing available in Glendale, AZ?	Can afford to the rent, but lives with friends.

- Seniors and other residents living on fixed incomes need to stay in their homes because they cannot afford to move to other housing units in the City. Seniors living on Social Security Income (SSI) are unlikely to be able to afford the repairs their aging homes need.
- Approximately 6,500 renters who earn less than \$20,000 are paying so much for their rental housing that they have difficulty affording other necessary household costs—such as transportation, child care and health care.

What can the City do?

The City of Glendale has worked very hard in the past to ensure that residents have adequate housing. The activities the City funds include:

- **Home rehabilitation.** Glendale provides over \$1 million in funding each year to assist more than 350 homeowners with home rehabilitation and emergency repairs. The City also has a replacement program to help homeowners obtain replacement housing when their housing is in such poor condition it cannot be rehabilitated.
- **Homeownership.** The City uses a variety of funds to provide downpayment assistance to renters wanting to be buyers. In addition, the City has funded the activities of Habitat for Humanity and Community Services of Arizona, who build homeownership housing for low-income renters.
- **Revitalization.** The City dedicates a small portion of CDBG to fund voluntary demolition programs, which remove vacant, substandard commercial and residential buildings for replacement with future development that will benefit low- to moderate-income families.
- **Rental housing.** The City assists its public housing authority with funds needed to maintain its rental units. The City's PHA is the primary provider of subsidies to the lowest income renters. In addition, the City has approved and provided funding to low-cost senior housing, housing for persons with disabilities as well as low-cost rentals.

Recommendations. Despite the City's many efforts, housing needs continue to far exceed available resources. We recommend that the City consider adding the following to its "tool kit" of resources available to assist residents with housing needs:

Build homes for the City's workforce to buy.

Most of the City's workforce cannot afford to buy in Glendale, even if their spouse works. The most affordable homes are condos and patio homes, yet there are far fewer of these homes available to buy than traditional single family homes.



The dominance of detached, single family homes in the Glendale market impacts the lack of affordability. Single family detached homes carry much higher prices, as evidenced by the price differential in 2007: The median price of a single family *detached* home on the MLS was \$253,000 compared to \$147,000 for the median price of an *attached* home.

The City has several options it can pursue to create more affordable workforce housing to buy. These can be separated into two categories: 1) Incentivizing developers; and 2) Subsidizing new construction.

The City can provide incentives for developers to build new, affordable housing through:

- **Negotiated developments**—The City should articulate a preference for having new construction contain workforce housing units. This can easily be done through the development application process and in the materials the City uses to describe the process (e.g., zoning and variance brochures).

Mixed-income developments would accomplish two housing goals: 1) More of the City's workers would be able to buy in the City; and 2) Workforce housing would be better distributed throughout the City. The City should request that developers integrate workforce units into their subdivisions, particularly housing units priced between \$120,000 and \$170,000. In exchange for developing workforce housing, the City should offer developers fee waivers, density bonuses and building variances and an expedited review process, as described below.

- **Fee waivers**—Developers who include some portion of for sale housing priced between \$120,000 and \$170,000 as part of their master planned, or infill developments should be offered impact fee waivers for the affordable units. The waivers should be tied to the level of affordability of the units, with the most affordable units receiving the full amount of the fee waived.
- **Density bonuses**—Developers who build mixed-income communities with workforce housing should be granted increased density (smaller lots) for the affordable units, to lower the price of the units through reduced land costs per unit.

- ***Expedited review***—Fast-track review and approval for developments that contain an affordable component can be key in making housing more attainable to the City’s workforce. Research has shown that every month of delay in the approval process adds between 1 and 2 percent to the final price of a home. Expedited review can encompass a number of time-saving activities, including the following:
 - Clearly specified timeframes for review/guaranteed maximum review period;
 - Pre-application conferences;
 - Simultaneous reviews of different steps of the application process, where feasible; and
 - Reduced requirements for public hearings.

The City should also explore the following activities to create more opportunities for workforce housing development:

- ***Support infill development***—Glendale has done an excellent job identifying vacant infill parcels with redevelopment potential. The City currently offers fee waivers for infill projects. Many of the City’s vacant residential parcels are good sized (between 1 and 5 acres), and could accommodate some small, mixed-income and mixed-use redevelopment projects. Such projects would produce needed workforce housing and be catalysts in revitalizing areas.

The next step would be for the City to evaluate these parcels for their development potential, examining their highest and best use in the context of incorporating workforce housing. After the City has developed a vision for key parcels, the City should engage developers in a discussion about redevelopment incorporating workforce housing, perhaps through a focus group or charrette.

- ***Land donation and banking***—The City should identify publicly-owned vacant and underutilized parcels of land that it could donate to developers in exchange for significant development of workforce housing. Part of this housing could be reserved for City employees and teachers.

The City should also explore acquiring land parcels that would be prime for mixed-income housing and workforce housing development, which it could “bank” for future development of workforce housing.

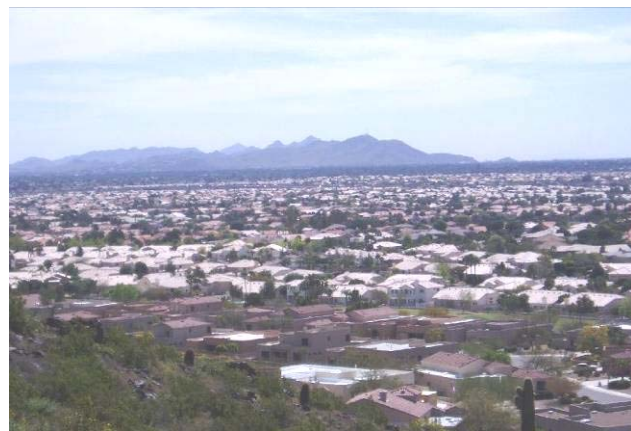
- ***Acquisition/rehab program***—Glendale should consider establishing an acquisition and rehabilitation program that could be funded with a combination of HOME dollars, CDBG and general fund monies. This program would provide funding for nonprofit and private developers to acquire vacant and blighted housing, redevelop the properties and then sell them at a price affordable to the City’s workforce.

- **Land trust program**—The City’s public housing authority offers qualifying residents who are enrolled in the Family Self Sufficiency (FSS) Program, an opportunity to purchase a home using Section 8 vouchers. This program has been limited in its success because of the lack of housing to buy in Glendale. Once families graduate from the program and save enough money for downpayment assistance, they cannot find homes to buy in their price range.

The City should consider partnering with Newtown Community Development Corporation in Tempe to develop a land trust model to serve FSS graduates and other low-income renters who want to become owners but cannot find affordable homes to buy. Under the land trust model, buyers purchase the homes but not the land, and then lease the land at an affordable rate. The land lease concept helps maintain affordability by controlling the cost of land, which is the primary component of price appreciation.

Take advantage of opportunities to produce new and diverse rental housing.

The City’s tools to address rental needs for households earning less than \$20,000 per year are limited and mostly consist of federally subsidized rental development and assistance programs. The largest subsidized rental programs in Glendale are the low-income housing tax credit (LIHTC) program, public housing authority rental units and Section 8 vouchers. The City also has many subsidized units in the Section



202 and 811 programs, which provide low-cost rental housing to elderly and/or disabled residents. If the units provided by the City’s assisted housing providers did not exist, the gap between renter households earning less than \$20,000 and units they need would be as high as 10,000 units.

To better meet the needs of extremely- and very low-income renters, the City should continue to seek out opportunities to develop deeply subsidized rental housing. This will be best done through acquisition and improvement of existing rental housing, including that which has fallen into disrepair. The City could support acquisition of the housing through General Fund and HOME monies, apply for State Land Trust funds and/or help subsidize the rehabilitation of the housing. An existing nonprofit or the public housing authority would be best suited to manage the housing.

The City should also support the development of Section 202 and 811 complexes, to meet the rental needs of low-income elderly and persons with disabilities.

Although tax credit developments have rents slightly higher than the target rents for the City’s renters with the most need, the City should consider supporting developments in other portions of Glendale, where there are few subsidized rentals. The City should also support developments with deeper subsidies (40 percent of AMI, rather than 60 percent of AMI). The City’s current tax credit developments have low vacancies compared to the market overall, indicating existing demand.

The City should also consider:

Continue home rehabilitation activities. Our review of the City's rehabilitation program relative to the needs identified found that the program is appropriately targeting households by income range. The program is assisting approximately 350 households per year with home repairs and accessibility modifications. Our study found that there are as many as 11,700 homeowners who would have difficulty finding replacement housing they could afford if they moved within Glendale city limits. These homeowners earn less than \$50,000 per year. In addition, there are a few hundred homeowners living in homes that are in very substandard condition (e.g., lacking complete plumbing and kitchens). At 350 households per year, the City is likely to find demand for its home rehabilitation program for many years, particularly as residents age and more are living on a fixed income and have the possibility of developing disabilities.

SECTION I.
Introduction

SECTION I.

Introduction

In 2007, the City of Glendale's Community Revitalization Division of the Community Partnerships Office contracted with BBC Research & Consulting (BBC) to conduct a Strategic Housing Study. The purpose of the study was multifaceted:

- Provide the City with current housing and demographic data, at very small geographic levels;
- Identify the greatest housing needs in the City for both renters and owners;
- Review the City's programs currently in place to address housing needs; and
- Review and recommend best practices utilized in similar communities to address unmet housing needs.

This Strategic Housing Study contains the results of this effort. It is organized into six sections, which include the following:

- **Section I—Introduction**
- **Section II—Community Profile.** This section provides current data on population growth; race/ethnicity, age and household characteristics of Glendale residents; income; and employment. The section contains many maps that identify areas of concentration (e.g., by ethnicity, income/poverty).
- **Section III—Housing Market Analysis.** This section describes development trends, compares housing affordability in Glendale with surrounding communities, calculates the mismatch between supply and demand for housing; and concludes with a summary of housing needs in the City.
- **Section IV—Profile of Assisted Housing.** Section VI discusses the availability and location of assisted housing in the City of Glendale. For the purposes of this section, “assisted” is defined as housing that is affordable to very low-income households, generally earning less than 60 percent of the median family income.
- **Section V—Best Practices,** contains the results of research into best practices employed in other communities to address housing needs. It discusses the programs Glendale currently has in place to address its housing needs and includes recommendations for how Glendale should modify or add programs to better meet its existing and future housing needs.
- **Section VI—GIS Data Analysis.** A significant component of the Strategic Housing Study involved collecting detailed housing and demographic data at small geographic levels called Block Groups. This section contains examples of how the City might analyze and map the data for use in planning purposes. It also contains a guide to the mapping and data files compiled for the study.

SECTION II.

Community Profile

SECTION II.

Community Profile

This section of the study describes the demographic and economic characteristics of the residents in the City of Glendale to set the context of the housing plan.

A number of data sources are used in this analysis, including information from federal, state and local governmental agencies. Where possible, 2006 projections from the commercial data provider Claritas, the Arizona Department of Economic Security and the American Community Survey (U.S. Census) are used. Both Census and Claritas data are available for population and housing unit counts, housing tenure (renter/owner), housing prices, as well as for other demographic characteristics that may affect community needs, such as race, age, and household type.

Summary Findings

- The City of Glendale's population is estimated at 243,540 for 2006. The City's pace of growth during the past 6 years was about half of that in the past decade. Between 2000 and 2006, the City of Glendale added an average of 4,000 residents per year, compared to almost 7,000 per year between 1990 and 2000.
- The City has become more diverse since 2000, although the majority of residents remain White, non-Hispanic. An examination of the residence of the Hispanic population showed that the City has become less concentrated ethnically in the past 6 years.
- Fifteen percent of the population in Glendale has one or more disability. There are very few areas in the City where the percentage of persons with a disability is higher than twice the City average.
- Fifteen percent of the City's population lives in poverty (roughly less than \$20,000 per year for a family of 4). The highest incidence of poverty is for children under the age of 5 (30 percent live in poverty) and female-headed households (29 percent live in poverty).
- About half of Glendale households earn less than \$50,000 a year and 22 percent of households earn less than \$25,000. These households are the most likely to have housing needs because they do not earn enough income to purchase a home and, if they are already owners, may not have enough income to adequately maintain their homes.

Population Growth

As the fourth most populous city in Arizona,¹ the City of Glendale has an estimated population of 243,540 in 2006, according to the State Department of Economic Security. Glendale's population growth between 2000 and 2006 was slightly lower than Phoenix and Mesa, each growing 14 percent during this period. By comparison, Glendale's population increased 11 percent, or at a compound

¹Phoenix and Tucson are the two most populous cities in Arizona, with 1,505,265 and 534,685 residents respectively. Mesa is third with a population of 451,360 in 2006.

annual rate of 1.8 percent. This also compares to a compound annual growth rate of almost 4 percent during the past decade (1990 to 2000). Between 2000 and 2006, the City of Glendale added an average of 4,000 residents per year, compared to almost 7,000 per year between 1990 and 2000.

Population growth in the City of Glendale was not nearly as rapid as either Maricopa County or the State of Arizona, each experiencing a growth rate of 23 percent between 2000 and 2006. Exhibit II-1 shows the Census counts of population in 1990 and 2000, and the State's estimate in 2006.

**Exhibit II-1.
Population Trends,
1990, 2000 and 2006**

Source:
1990 Census, 2000 Census, and Arizona Department of
Economic Security.

Population	1990	2000	2006
City of Glendale	151,014	218,812	243,540
Maricopa County	2,122,101	3,072,149	3,792,675
Arizona	3,665,228	5,130,632	6,305,210

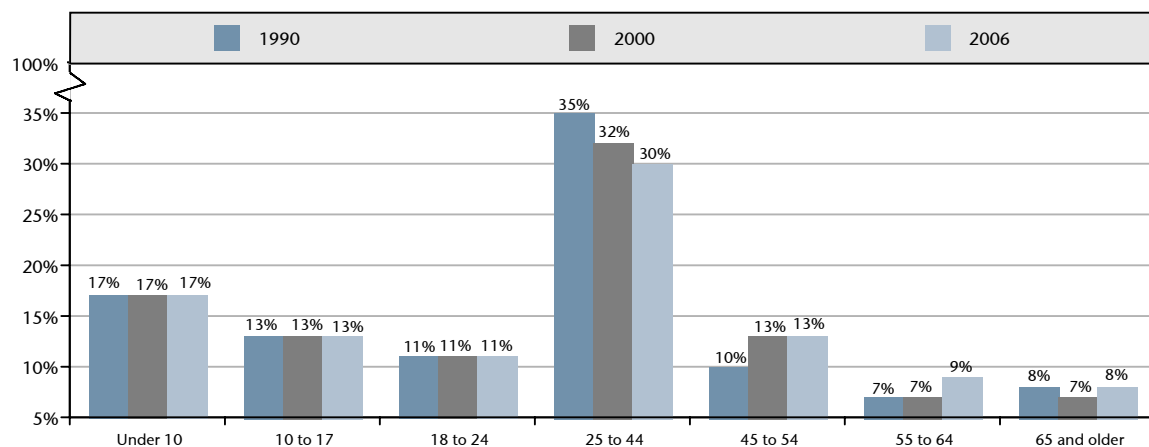
Accurate growth projections for Glendale are difficult to find because the City's population has been increasing so rapidly. The commercial data provider Claritas estimates that the City's population will approximate 254,000 in 2011. This is based on a 235,000 population estimate for 2006, which is about 8,000 fewer residents than the State's estimate. If growth between 2006 and 2011 continues at its current pace, Glendale's population will easily exceed 260,000 in 5 years.

Age Distribution

The median age of the residents in the City of Glendale increased to 31.5 years in 2006 from 30.8 in 2000. Glendale's 2006 median age was lower than Maricopa County's, which was 33.5 years. The State's median age was 34.4 years, higher than both the City and County's median ages.

The Census divides the population into a series of age categories or "cohorts." Exhibit II-2 presents the distribution of the population by age in Glendale and identifies the share of the population for each year by age category.

**Exhibit II-2.
Age Cohort Distribution, City of Glendale, 1990, 2000 and 2006**



Source: U.S. Census Bureau's 1990 Census, 2000 Census, and Claritas, 2006 estimates.

In 1990, more than one-third of the City's population was between the ages of 25 and 44. This has dropped to 30 percent in 2006. The decline is offset by growth in the City's population between the ages of 45 through 64.

The fastest growing age cohort in the City from 2000 to 2006 was baby boomers between 55 and 64 years old (32 percent increase). The only cohort to experience a decline in its total population in Glendale was the age 25 to 44 cohort, falling 2 percentage points from 2000 to 2006. This decrease is correlated with the increase in persons between 45 and 64. Age cohort trends for the City of Glendale are similar to those of both Maricopa County and the State of Arizona. However, the City of Glendale contains a lower percentage of seniors (age 65 and older) than Maricopa County and the State of Arizona overall.

Because age cohorts vary in size from six to seventeen years, comparisons among them are not always obvious. Exhibit II-3 presents the distribution of the population by age in Glendale and identifies the average share of the population for each year in that particular category. This exhibit demonstrates that, despite the strongest growth in the City's older adult population, youth make up a relatively large share of the population.

**Exhibit II-3.
Distribution of Population by
Year of Age, City of Glendale, 2006**

Note:

Share by year gives the average percentage for an individual year within each age cohort.

For the share of the population for age 75 and over, a 25-year age cohort was used.

Source:

Claritas, 2006 estimates and BBC Research and Consulting.

	Share of Population	Share by Year
Under 18	29.2%	1.7%
18 to 24	11.4%	1.6%
25 to 34	18.3%	1.8%
35 to 44	16.3%	1.6%
45 to 54	10.4%	1.0%
55 to 64	6.5%	0.7%
65 to 74	4.6%	0.5%
75 and over	3.2%	0.1%

Race and Ethnicity

Data on race and ethnicity requires clarification about how the U.S. Census Bureau collects and analyzes the data. The U.S. Census asks two different questions about race and ethnicity: The first question asks respondents to identify their race; the second asks whether the respondents are of Hispanic/Latino origin. The Census Bureau does not classify Hispanic/Latino as a race, but rather as an identification of origin and ethnicity. If a survey respondent reported Hispanic/Latino ethnicity but did not mark a specific race category, they are classified in the Some Other Race category. Persons of Hispanic/Latino descent most commonly report their race as White or Some Other Race.²

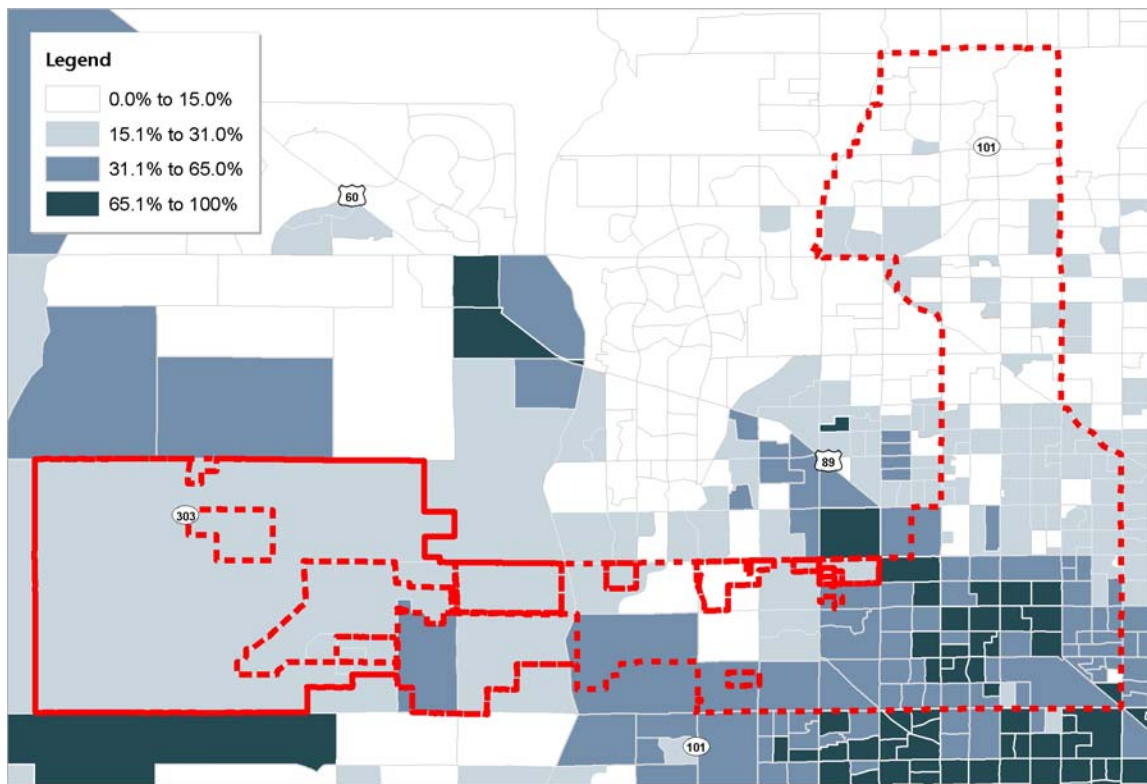
² The "Some Other Race" category and "Two or more races" category were combined so that 2000 Census data would be comparable to 1990 Census data. The "Some Other Race" category includes all other responses not included in the "White," "Black or African American," "American Indian or Alaska Native" and "Asian" race categories. Respondents providing write-in entries such as multiracial, mixed, interracial, or a Hispanic/Latino group (for example, Mexican, Puerto Rican, or Cuban) in the "Some Other Race" write-in space are included in this category.

According to 2006 Claritas data projections, 70 percent of Glendale's population consisted of persons who were White, 15 percent who were Some Other Race, and the remaining 15 percent included African American, Asian and Native American residents. The City has grown more diverse racially since 2000: In 2000, the Census estimated that 76 percent of the City's population was White.

Hispanics or Latinos comprised around 31 percent of the population in 2006 compared to 25 percent in 2000.

Exhibits II-4 and II-5 show the distribution of persons of Hispanic descent by their Block Group of residence in 2006 and 2000. As the 2006 map demonstrates, Block Groups in the southeast and south-central portion of the City are more likely to have a higher percentage of persons of Hispanic descent living in them than in the central, north or western portions.

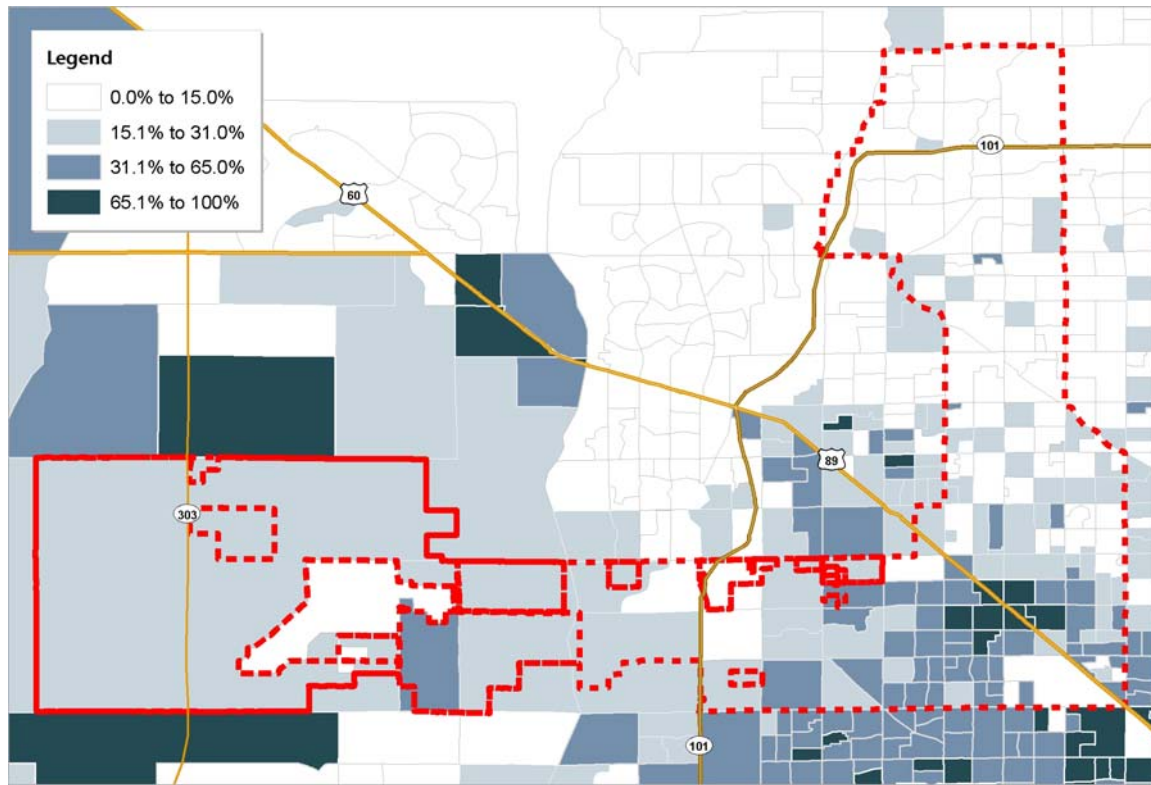
Exhibit II-4.
Percent of the Population that is Hispanic/Latino by Block Group, 2006



Source: Claritas, 2006 estimates.

Exhibit II-5 shows percent of the population that is Hispanic descent by Block Group for 2000. Concentration has increased since 2000. There are more Block Groups in 2006 with more than twice the City proportion of persons of Hispanic descent (dark blue shading): In 2000, the 50 Block Groups that were more than 31 percent Hispanic contained 60 percent of the City's Hispanic population overall. This compares to 67percent in 2006.

Exhibit II-5.
Percent of the Population that is Hispanic/Latino by Block Group, 2000



Source: U.S. Census Bureau, 2000 Census.

Persons with Disabilities

The 2006 American Community Survey reported 15 percent (32,462 persons) of the population in the City of Glendale had one or more types of disability, compared to 14 percent of Arizona's population. In 2000, the Census estimated that 18 percent of the City's population had a disability. About 7 percent of Maricopa County's population of persons with a disability lived in Glendale in 2000 (45 percent lived in Phoenix).

The Census's definition of a disability status is based on individual answers to several Census survey questions. According to the Census, individuals have a disability if any of the following three conditions are true: (1) they were 5 years old and over and had a response of "yes" to a sensory, physical, mental or self-care disability; (2) they were 16 years old and over and had a response of "yes" to going-outside-the-home disability; or (3) they were 16 to 64 years old and had a response of "yes" to employment disability.

The Census definition of people with disabilities includes individuals with both long-lasting conditions, such as blindness, and individuals who have a physical, mental or emotional condition lasting 6 months or more that makes it difficult to perform certain activities. All disability data from the Census are self-reported by respondents.

In 2006, there were 74,211 *disabilities* reported for persons over the age of 5 residing in Glendale. Exhibit II-6 lists the disability by type in Glendale. Physical disabilities are the most common in the City, representing 27 percent of all disabilities.

Exhibit II-6.
Type of Disability,
City of Glendale, 2006

Note:

Because some people have multiple disabilities, the total of the column does not equal the total number of disabled persons. Employment disability includes persons able to work (ages 16 to 64 years). Go-outside-home disability includes persons ages 16 and over.

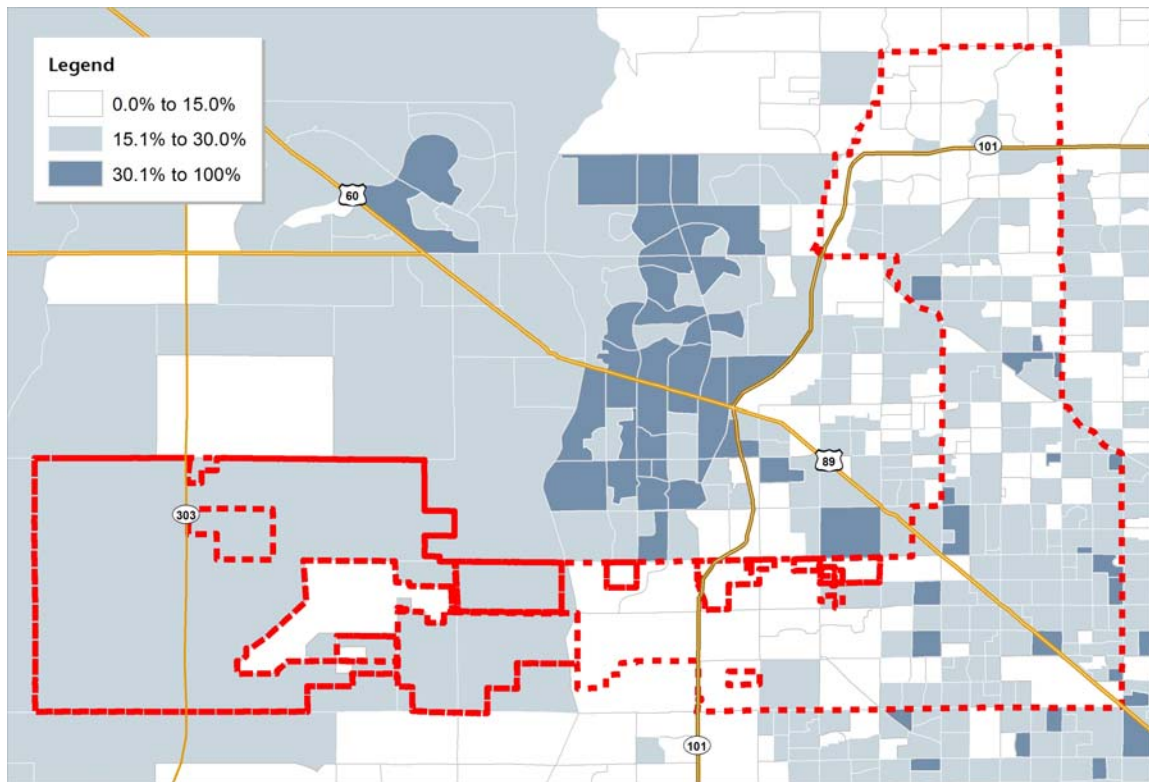
Source:

U.S. Census Bureau,
2006 American Community Survey.

	Population	Percent of Total Population
Employment disability	11,949	5.6%
Go-outside-home disability	9,995	4.7%
Mental disability	13,479	6.3%
Physical disability	20,075	9.4%
Self-care disability	8,066	3.8%
Sensory disability	10,647	5.0%

Exhibit II-7 shows the percentage of persons with disabilities by Block Group in 2000 (the latest date for which the data are available). The map demonstrates that there are very few Block Groups where the percentage of persons with disabilities is higher than twice the Citywide average (15 percent).

Exhibit II-7.
Percent of Population with Disabilities by Block Group, 2000



Note: The percent is calculated using the number of civilian noninstitutionalized population 5 years and over as the denominator.

Source: U.S. Census Bureau's 2000 Census

Household Composition

From 2000 to 2006, Glendale's average household size was stable, increasing from 2.85 to just 2.86 persons. This average includes all households: one-person households, unrelated roommates and families. The average household size for Maricopa County in 2006 is estimated at a slightly smaller 2.71 persons, while the State of Arizona was even smaller at 2.65 people.

In 2006, Glendale is estimated to have 81,361 households with 71 percent of those households being family households, or 57,544 family households. (Family households are made up of two or more *related* people living together.³)

According to the 2000 Census—the latest date of available data—the average household size of renters in Glendale was slightly smaller than the average household size of owners. The average household size of Glendale renters was 2.59 persons, compared to an average household size of 2.99 persons for owners.

Large households. Large households, defined by the Census Bureau as having five or more persons in a household, made up 15 percent (12,278 households) of Glendale households in 2006. About 14 percent of renter households (4,005 renters) were large households compared with 15 percent of owner households (7,391 owners).

According to the 2000 Census, households of Some Other Race had the highest rate of large families. Approximately 33 percent of Some Other Race households were large families. Native Hawaiian and other Pacific Islanders (24 percent), American Indian or Alaska Natives (22 percent), households of Two or More races (21 percent), African American households (16 percent) and Asian households (16 percent) had a higher rate of large households compared to the City overall. This is also true of persons of Hispanic descent: Thirty-one percent of Hispanic/Latino households were large as of 2000.

Familial status. In 2006, the majority of Glendale households did not have children living with them (56 percent). Of households with children, over two-thirds of all households (22,529 households) were married-couple families. Exhibit II-8 shows the distribution of Glendale households with and without children in 2006.

Exhibit II-8. Household Composition, City of Glendale, 2006.

Note:

Own children includes every child under 18 years old who is a son or daughter by birth, marriage (a stepchild), or adoption.

Source:

Claritas, 2006 estimates.

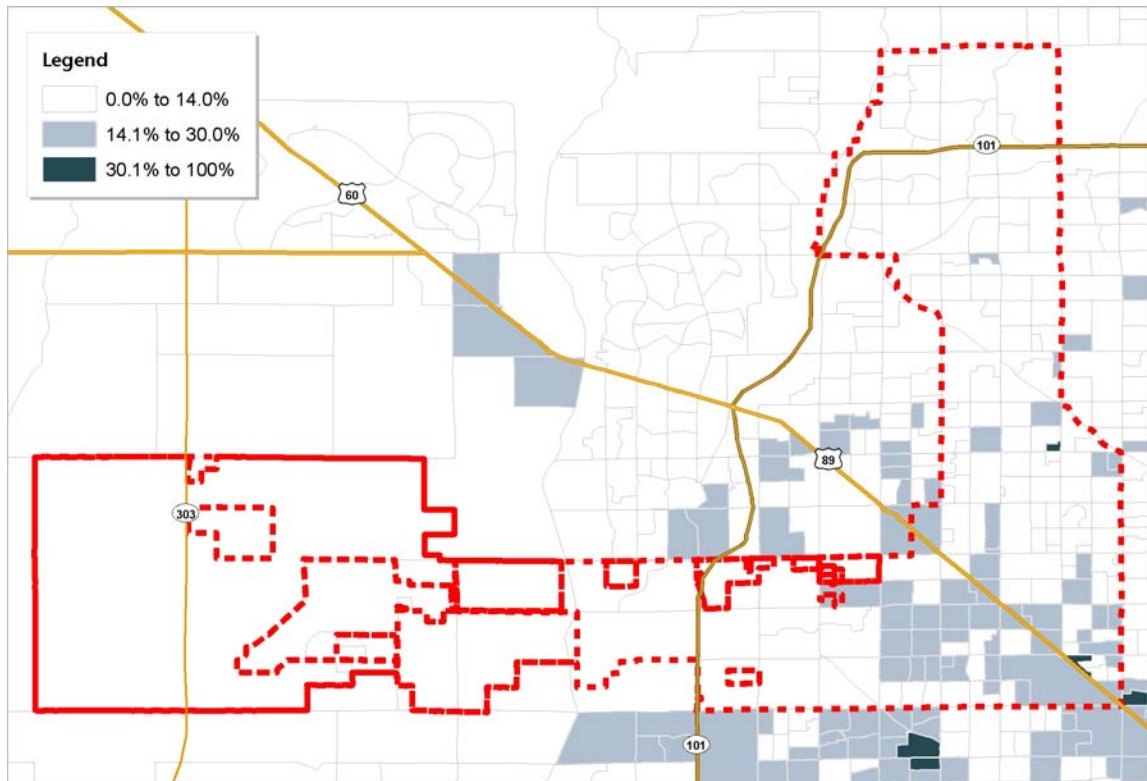
	Number of Households	Percent
Households with own children:	33,103	44%
Married couples	22,529	30%
Female-headed households	7,319	10%
Male-headed households	3,255	4%
Households without children	42,597	56%
Family households	21,743	29%
Non-family households	20,854	28%
Total	75,700	100%

³ Families can be related through birth, marriage or adoption.

There were a total of 10,574 single-parent households in Glendale, representing 14 percent of total households and 32 percent of households with children. The majority of the single-parent households—69 percent or 7,319 households—were female-headed. As shown in the following exhibit, Block Groups in the southeast portion of the City are more likely to have a higher percentage of single parent households (greater than the City’s average of 14 percent) living in them than in the central, north or western portions of the City.

Exhibit II-9.

Percent of Households that are Single Parent Households by Block Group, 2006



Note: Single parent households include female and male householders with their own children.

Source: Claritas, 2006 estimates.

Income

According to data projections, the 2006 median household income in the City was \$49,889, up from \$45,393 in 2000.⁴

The median household incomes for Glendale and the surrounding areas are shown in Exhibit II-10. As of the 2000 Census, Glendale housed about 7 percent of Maricopa County's lower income residents (Phoenix housed 47 percent).

Exhibit II-10.

Median Household Income, City of Glendale and Surrounding Areas, 1990, 2000 and 2006

	1990 Census	2000 Census	2006 Estimate	Percent Change 2000 to 2006
Glendale	\$31,665	\$45,393	\$49,889	9.9%
Phoenix	\$29,291	\$42,039	\$45,862	9.1%
Mesa	\$30,273	\$43,582	\$49,215	12.9%
Tempe	\$31,885	\$43,587	\$46,570	6.8%
Scottsdale	\$39,037	\$59,105	\$65,783	11.3%
Chandler	\$38,124	\$58,712	\$67,472	14.9%
Phoenix-Mesa-Scottsdale MSA	\$30,797	\$45,264	\$52,008	14.9%
Maricopa County	\$30,797	\$45,821	\$52,657	14.9%
State of Arizona	\$27,540	\$41,164	\$47,362	15.1%

Source: U.S. Census Bureau 1990 and 2000, Claritas 2006 estimates.

The Phoenix metropolitan area, which includes Glendale, had an estimated median household income of \$52,008, higher than that of Glendale. This median is skewed higher by high incomes in affluent suburbs including Scottsdale and Chandler. Household income growth in Glendale over the 2000 to 2006 period outpaced the City of Phoenix but fell behind growth in the overall metro area, Maricopa County and State of Arizona.

⁴ Claritas estimates a median income of \$49,889 for Glendale in 2006; the Census American Community Survey estimates a very similar \$48,455.

Exhibit II-11 shows the distribution of household income in Glendale. Compared to 2000, the income distribution has shifted upward slightly: In 2000, 25 percent of the City's households earned less than \$25,000, and 30 percent earned between \$25,000 and \$49,999.

As shown below, about half of Glendale households earn less than \$50,000 a year and 22 percent of households earned less than \$25,000 in 2006.

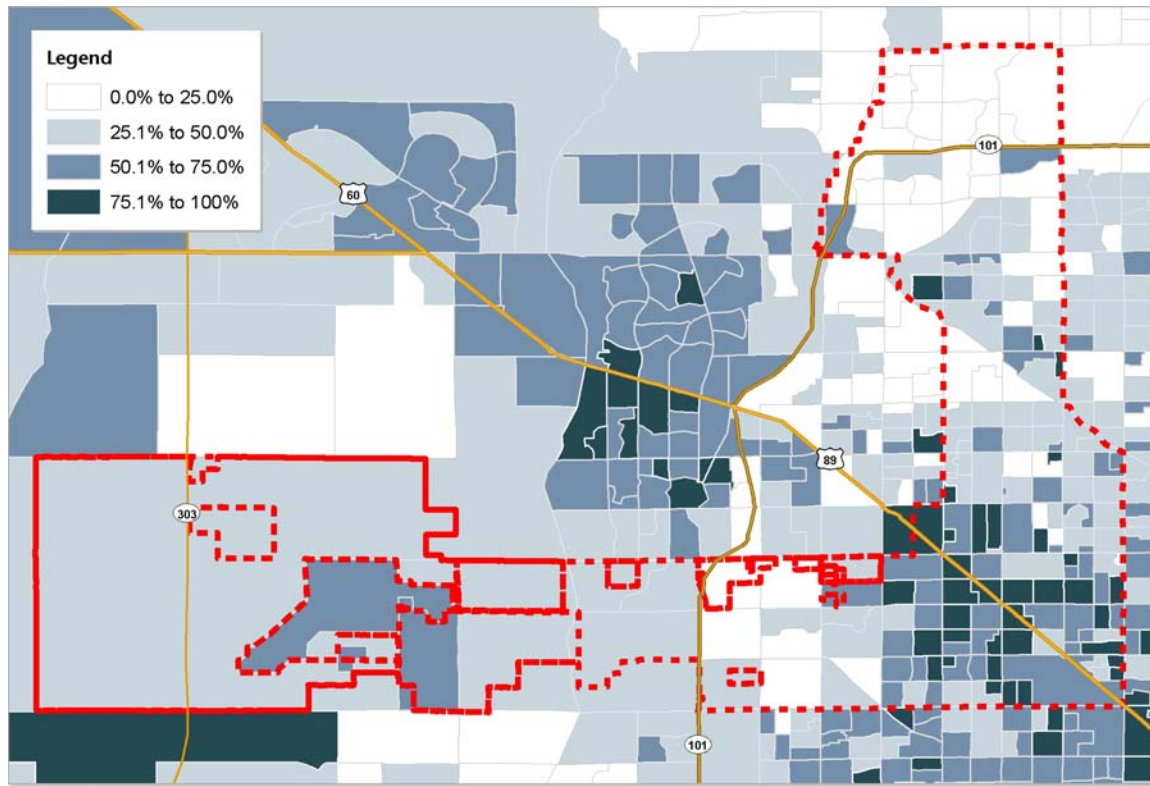
**Exhibit II-11.
Household Income Distribution,
City of Glendale, 2006**

Source:
PCensus, Claritas 2006 estimates.

Income range	Households	Percent
\$0 to \$24,999	18,074	22.2%
\$25,000 to \$49,999	22,706	27.9%
\$50,000 to \$74,999	17,348	21.3%
\$75,000 to \$99,999	10,243	12.6%
\$100,000 to \$149,999	9,407	11.6%
\$150,000 to \$249,999	2,779	3.4%
\$250,000 to \$499,999	602	0.7%
\$500,000 or more	202	0.2%
Total	81,361	100%

The Department of Housing and Urban Development (HUD) also provides median household incomes for select Metropolitan Statistical Areas (MSA), cities and counties throughout the United States. The federal government (and most state and city governments) use HUD's median family income (MFI) to define eligible households for housing and community development programs. The HUD MFI for the Phoenix-Mesa-Scottsdale, AZ MSA was \$60,100 in 2006.

Exhibit II-12 displays the percent of households earning less than 80 percent of the 2006 HUD median family income (the MFI equals \$60,100 and 80 percent of the MFI is \$48,080) by Block Group. These households are considered by HUD to be low-income. For example, a percentage of 25 means that approximately 25 percent of the households within an individual Block Group are low-income. As demonstrated in Exhibit II-11, low-income households are largely grouped in the south central and southeast portions of the city.

Exhibit II-12.**Percent of Households Earning Less Than 80% HUD 2006 MFI (Low- and Moderate-Income Households) by Block Group, City of Glendale 2006**

Source: Claritas 2006 estimates, HUD and BBC Research & Consulting.

Exhibit II-13 shows median income by race and ethnicity. As demonstrated by the Exhibit, most minorities in Glendale have lower median incomes than Whites. To the extent that housing prices vary based on location, the economic disparity between races and ethnicity can be one reason for racial and ethnic concentration.

**Exhibit II-13.
Median Household Income by
Race and Ethnicity, City of
Glendale, 2006**

Source:
U.S. Census Bureau,
2006 American Community Survey.

	Median Household Income
Total Households	\$48,455
American Indian and Alaska Native alone	\$39,779
Asian alone	\$47,535
Black or African American alone	\$28,309
Native Hawaiian and Other Pacific Islander alone	--
White alone	\$52,730
Some Other Race alone	\$36,712
Two or More Races	\$27,813
Hispanic or Latino	\$38,522

Below poverty level. The Census Bureau uses the federal government's official poverty definition. The Social Security Administration (SSA) developed the original poverty definition in 1964, which federal interagency committees subsequently revised in 1969 and then again in 1980. The Office of Management and Budget's (OMB's) *Directive 14* prescribes this definition as the official poverty measure for federal agencies to use in the statistical work. To determine a person's poverty status, one compares the person's total family income with the poverty threshold appropriate for that person's family size and composition. If the total income of that person's family is less than the threshold appropriate for that family, then the person is considered poor, together with every member of his or her family. If a person is not living with anyone related by birth, marriage or adoption, then the person's own income is compared with the poverty threshold. The same procedure applies for calculating households in poverty.

In 2006, according to the American Community Survey (ACS), 17 percent of the households in Glendale, or about 13,408 households, lived below the poverty level. (The poverty threshold in 2006 was about \$20,000 for a family of four persons). This compares to 18 percent of Arizona households and 15 percent of United States households living in poverty. Of these households living below the poverty threshold, approximately 7,100, or 53 percent, were family households.

In 2006, 15 percent of Glendale's *population*, or 35,669 people, were living below poverty level. This compares to 12 percent in 2000. Glendale's poverty rate in 2006 was 2.8 percentage points higher than Maricopa County's at 12.5 percent, and 1.1 percentage points higher than the State of Arizona's at 14.2 percent.

A comparison of poverty rates for the City's children and elderly showed a higher incidence of poverty for the City's children: 30 percent of the children under 5 years were living below poverty compared to 12 percent of the elderly that lived in poverty. According to the 2006 American Community Survey, 30 percent of persons living in female-head-of-household families with no husband present were living in poverty, compared to 10 percent of persons living in married-couple families. Of the 6,465 families living below the poverty level in 2006, 2,563 or 40 percent were married-couple families; and 3,060 or 47 percent were female-headed families with children living at home.

**Exhibit II-14.
Poverty Level by Population
Characteristics, City of
Glendale, 2006**

Note:
Female head of households
have no husband present.

Source:
U.S. Census Bureau,
2006 American Community Survey.

	Percent of Each Population Below Poverty Level
Children under 5 years	29.5%
Children 5 to 17 years	19.0%
Persons 18 to 24 years	17.7%
Persons in married couple families	9.5%
Persons in female-headed households	29.3%
Elderly, 65 and over	<u>12.2%</u>
Total population	15.3%

Economic Characteristics

This section presents key employment statistics for the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA): Major employment sectors, unemployment rates, workforce education, and future employment projections. The Phoenix-Mesa-Scottsdale MSA encompasses most of Maricopa County, a large portion of Pinal County and a small part of southern Yavapai County,

The economic data presented below were obtained from the U.S. Census Bureau's 2000 Census, the Bureau of Economic Analysis, the Arizona Department of Economic Security and Claritas. Although employment data are available only at the MSA and county level, the data still provide a representative picture of regional economic activity.

Employment statistics are helpful in evaluating housing needs for two primary reasons. First, they provide indicators of the economic health of an area. Second, projections of future employment indicate what type of housing will be needed to serve potential new workers and residents.

Employment sectors. As of September 2007, the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA) contained an estimated 2 million employed persons. Maricopa County accounted for 1.9 million of those employed.

According to the Arizona Department of Economic Security, 88 percent of the jobs in Maricopa County were in the private sector; 11 percent were in the public sector; and 0.2 percent were farm labor during 2007.⁵ The largest employment industry in Maricopa County was Trade, Transportation and Utilities, which provided 380,900 jobs in during 2007. This industry was followed by Professional and Business Services (333,600 jobs) and Government (217,700 jobs). Exhibit II-15 displays employment in Maricopa County for 2007 (January through September).

Exhibit II-15. Employment by Industry, Maricopa County, 2007

Note:

*This is an average of the months January through September 2007. Data is rounded to the nearest 25. Annual averages may not add due to rounding.

Source:

Arizona Department of Economic Security,
Research Administration.

	2007 Average*	Percent of All Industries
Farm Employment	4,300	0.2%
Total Private	1,682,400	88.3%
Mining and Construction	184,800	9.7%
Manufacturing	135,400	7.1%
Trade, Transportation and Utilities	380,900	20.0%
Information	31,600	1.7%
Financial Activities	156,900	8.2%
Educational & Health Services	198,000	10.4%
Professional & Business Services	333,600	17.5%
Leisure & Hospitality	185,700	9.8%
Other Services	75,600	4.0%
Total Government	217,700	11.4%
Total Employment	1,904,400	100%

⁵ The 2007 employment numbers are an average of the months January through September 2007.

While some industries in Maricopa County have experienced rapid growth in recent years, others have lost employees and shrunk in size. As shown in Exhibit II-16, the Employment Services industry has grown the most rapidly in the past three years (2003 to 2006) with an increase of 21,336 jobs. Jobs related to construction also experienced significant growth. Conversely, the wired telecommunications services industry lost the most jobs in the same period with a decrease of 4,675 jobs. Motor vehicle parts and plastic product manufacturing also experienced a significant decline in employment.

**Exhibit II-16.
Growing and Declining
Industries, Maricopa County,
2003-2006**

Source:

Arizona Department of Economic Security, Research
Administration in cooperation with the Bureau of
Labor Statistics, U.S. Department of Labor.

	2003–2006 Job Growth (Decline)
Employment services	21,336
Building foundation & exterior contractors	17,484
Residential building construction	7,674
Building finishing contractors	7,654
Building equipment contractors	7,574
Grocery stores	7,203
Insurance agencies, brokerages	(900)
Motor vehicle parts manufacturing	(1,125)
Plastics product manufacturing	(1,823)
Wired telecommunications carriers	(4,675)

The City of Glendale reported the largest employer in Glendale to be the U.S. Air Force's Luke Air Force Base with an approximate 7,000 active military and 1,400 civilian personnel. The following exhibit shows the largest employers in Glendale.

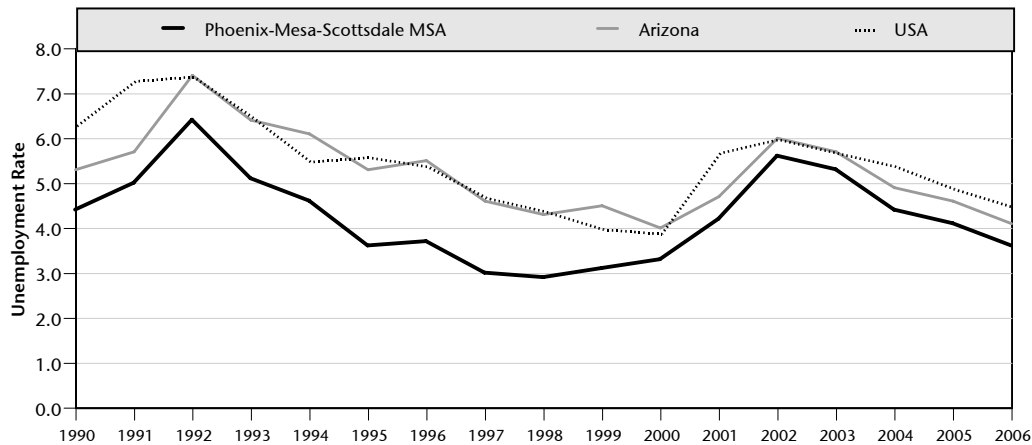
**Exhibit II-17.
Major Employers by Industry and Number of Employees, City of Glendale, 2007**

Employer	Industry	Employees
US Air Force - Luke AFB	F-16 training base	7,000 active military and 1,400 civilian
Arrowhead Towne Center	Retail	2,500
Banner Health System	Hospital	2,036
City of Glendale	Government	1,937
Glendale Union High School District #205	Secondary school	1,862
Glendale Elementary School District #40	Elementary school	1,684
Deer Valley Unified School District #97	Elementary and secondary schools	1,432
Glendale Community College	College	1,220
Schuck & Son's	Manufacturing	1,150

Source: City of Glendale, Economic Development.

Unemployment. The unemployment rate (unadjusted) in the Phoenix-Mesa-Scottsdale MSA was 2.7 percent in May 2007.⁶ The average annual rate for the MSA was 3.6 percent in 2006. This was lower than both the Arizona and national average unemployment rates in the same year, which were 4.1 and 4.5 percent, respectively.

Exhibit II-18.
Unemployment Rates, Phoenix-Mesa-Scottsdale MSA,
Arizona and United States, 1990 to 2006



Note: Unemployment rate is the annual rate from 1990 to 2006 and is not seasonally adjusted. The Bureau of Labor Statistics altered the method by which they calculate unemployment in the year 2000.

Source: U.S. Bureau of Labor Statistics.

Workforce education. According to data projections, in 2006, over 82 percent of Glendale residents age 25 or over held at least a high school diploma or G.E.D. Almost 57 percent of Glendale residents had pursued some education beyond high school. About 21 percent of Glendale residents had received a bachelor's degree and just over 7 percent earned a graduate, professional or higher degree. Approximately 28 percent of Glendale residents had attended college (or a trade school awarding associates' degrees) but did not have a bachelor's degree. These percentages include formal education only and, as such, do not consider education and training received on the job.

Glendale's residents had similar levels of education when compared with the State overall. In 2006, 21 percent of Glendale residents had received at least a bachelor's degree from college and 7 percent earned a graduate, professional or higher degree, compared to 24 percent and 8 percent, respectively, for the State. Just over 81 percent of Arizona residents age 25 or over held at least a high school diploma or G.E.D. compared to 82 percent in Glendale.

Comparing the 2000 Census and the 2006 estimates suggests that Glendale residents' overall education levels have been quite similar since 2000.

⁶ U.S. Bureau of Labor Statistics.

SECTION III.

Housing Market Analysis

SECTION III.

Housing Market Analysis

This section discusses the housing market in the City of Glendale. It describes development trends, compares housing affordability in Glendale with surrounding communities, calculates the mismatch between supply and demand for housing, and concludes with a summary of housing needs in the City. The geographic boundary for this analysis is the incorporated City of Glendale.

Summary Findings

- It is difficult to find the right adjective to adequately characterize residential growth in Glendale since 1990. “Rapid” or “brisk” come close; “dramatic” is probably more accurate. The City’s housing stock has grown by about 38 percent during the past 16 years. On average, the City has added more than 1,400 units to its housing stock every year since 1990.
- Despite this strength, the City has not been immune to the recent downturn in the national housing market. During 2006, the number new homes sold as well as resales dropped dramatically: Approximately 3,300 fewer homes were sold in 2006 than in 2005.
- This slowdown in the market has not improved the affordability of housing to buy, however. Thus far, home prices have stayed firm. Only 18 percent of renters could afford to buy the median valued home in 2006, down from 44 percent in 2000.
- In contrast, the rental market has been relatively flat. In 2006, 52 percent of renters could afford the median rent, down slightly from 55 percent in 2000.
- The median rent for units in larger apartment complexes in Glendale is estimated at \$650 per month. The median rent for single family homes for rent is approximately \$1,300 per month. The increase in rents during the past 6 years pales in comparison to the increase in the prices of for sale homes. However, Glendale’s rental market falls short of adequately serving the City’s lowest-income renters: There are 6,500 too few rental units to serve renters earning less than \$20,000 per year.
- During 2007, renters in Glendale had to earn more than \$35,000 per year before just 10 percent of homes for sale became affordable to them. Renters earning less than \$35,000—more than half of the renter population—could afford to buy just 2 percent of homes for sale in 2007.
- Between January and July 2007, there were 235 homes for sale and affordable to households earning less than \$50,000. The vast majority of these homes—81 percent—were attached homes. It is very difficult for renters earning less than \$50,000 per year to find affordable, detached single family housing.

Housing Supply

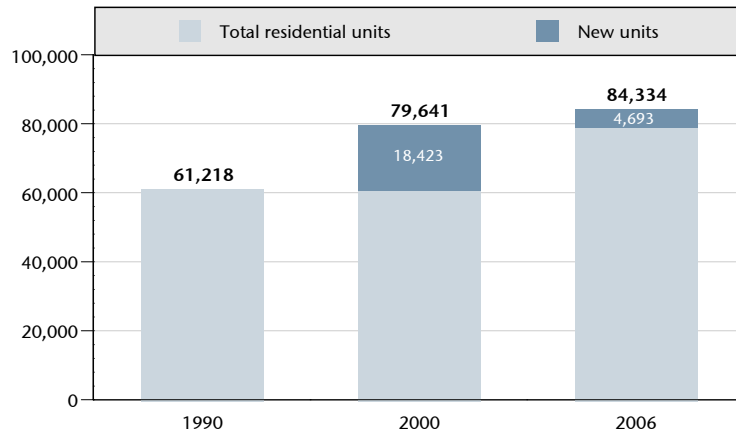
According to Census estimates, Glendale added about 4,700 housing units to its housing stock between 2000 and 2006, an increase of approximately 6 percent. On average, the City has added 782 housing units to its residential stock each year during the past 6 years.

Since 1990, about 23,000 units have been added to the City's housing stock, an increase of 36 percent. This is equivalent to adding an average of 1,445 units to the City's stock each year.

Exhibit III-1 demonstrates the change in housing units since 1990.

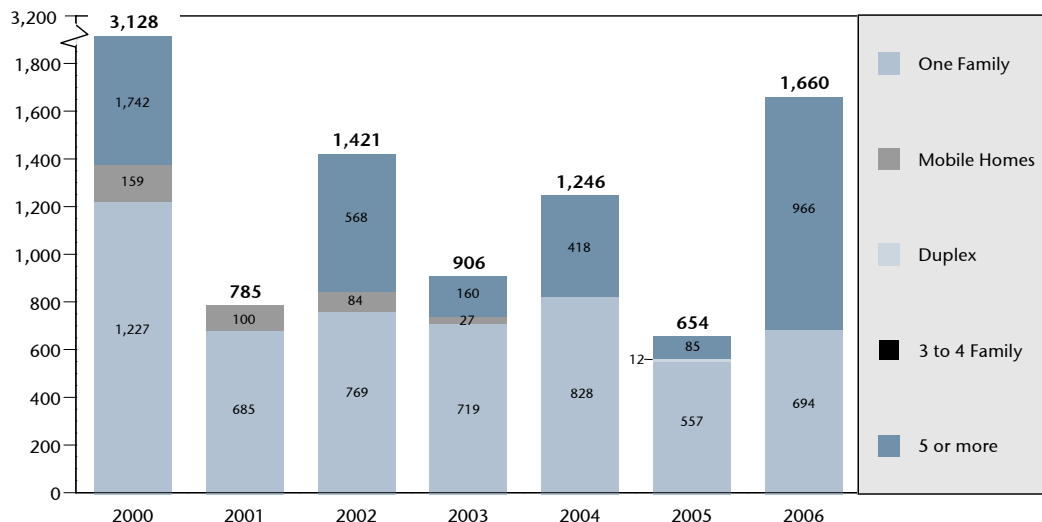
**Exhibit III-1.
Residential
Development, City of
Glendale, 1990 to 2006**

Source:
U.S. Census Bureau.



Between 2000 and September 2007, the City issued permits for the most units in 2000 at 3,128 units, followed by 1,660 units in 2006. These years were also unusual in that the number of units authorized for multifamily complexes outnumbered the number of single family units authorized. Exhibit III-2 shows the number of residential housing units that have been permitted/authorized in Glendale from 2000 to September 2007, by type of unit.

**Exhibit III-2.
Authorized Housing Units, City of Glendale, 2000 to September 2007**



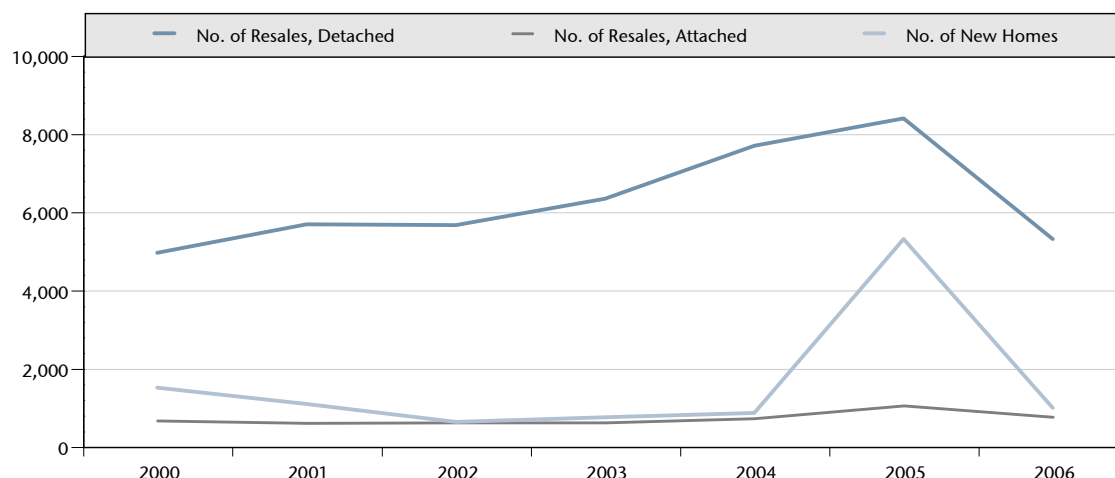
Note: The 2007 residential housing permits include the months of January through September 2007.

Source: Realty Studies, Arizona State University's Polytechnic campus and the City of Glendale.

Exhibit III-3 shows the number of resales—both single family detached and townhomes and condominiums—and new homes sold between 2000 and 2006. During 2006, the number of resales and new homes sold dropped dramatically. The number of resales in Glendale reached 8,390 in 2005, before falling to 5,310 in 2006 (3,080 fewer sales). New home sales dropped from 1,245 to 990—a decline of 255 sales. Resales on townhomes and condominiums dropped from 1,055 in 2005 to 760 in 2006 (a decline of 295).

Exhibit III-3.

Resales and New Home Sales Comparison, City of Glendale, 2000 to 2006



Source: Glendale MLS Sales Data from Bill Whetten and BBC Research & Consulting.

Type and size of units. In 2006, about 61 percent of Glendale's housing units were single family detached housing units; 29 percent were apartments. Approximately 4 percent of the units were single family attached units (e.g., townhomes, duplexes, etc.)¹. Exhibit III-4 shows housing units by type of structure for Glendale in 2006.

Exhibit III-4.

Housing Units by Type of Structure, City of Glendale, 2006

Source:
U.S. Census Bureau's 2006 American Community Survey.

	Housing Units	Percent
1-unit, detached	51,788	61%
1-unit, attached	3,734	4%
2 or more apartments	24,728	29%
Mobile home	4,084	5%
Total	84,334	100%

The vast majority of the City's owners—an estimated 88 percent—live in detached homes. Approximately 6 percent live in townhomes and condominiums and 6 percent live in mobile homes.

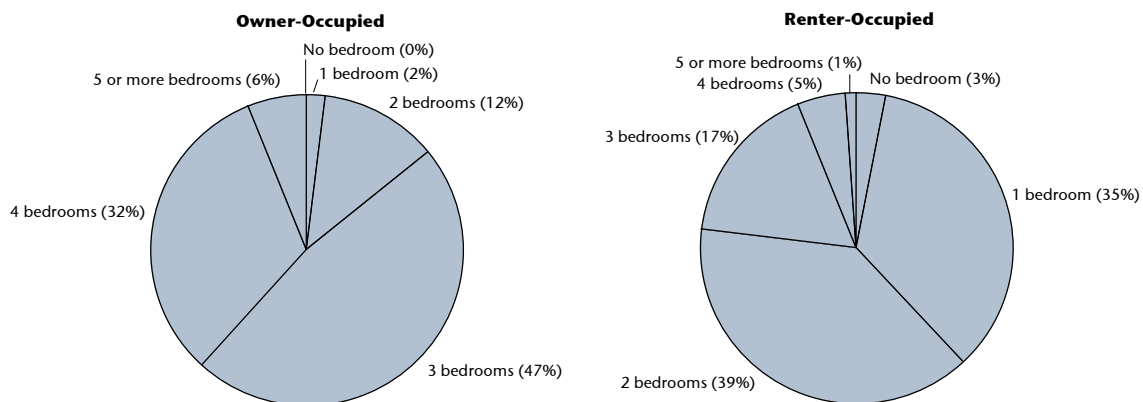
¹ 1-Unit, Attached – This is a 1-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

Glendale is not unusual for its high percentage of single family detached homes occupied by owners. In Phoenix, 88 percent of owners live in detached, single family homes; Albuquerque and Las Vegas have similar percentages at 86 and 87 percent, respectively. The City of Denver and its contiguous suburb Aurora differ, with 76 and 71 percent, respectively, of owners occupying single family detached homes. The rest live in attached homes.

Glendale's renters mostly occupy units in large apartment buildings (50 or more units), followed by small apartment buildings (5 to 20 units) and then detached single family homes.

Glendale's rental units are most likely to be one- or two-bedroom units (35 percent of rental units have one-bedroom and 39 percent have two-bedrooms). Glendale's owner-occupied units most commonly have three-bedrooms (47 percent), followed by four bedrooms (32 percent), as shown in Exhibit III-5.

Exhibit III-5.
Bedrooms for Owner- and Renter-occupied Housing Units, City of Glendale, 2006



Source: U.S. Census Bureau's 2006 American Community Survey.

Vacancies. In 2006, the Census' American Community Survey (ACS) estimated that 58 percent the City's 84,334 units were occupied by owners, 34 percent were occupied by renters and the remaining 8 percent were vacant.²

The ACS estimated that 30 percent of the vacant units (2,130 units) were vacant units for rent; 11 percent (780 units) were vacant units for sale; one-fourth of the vacant units were rented/sold but not occupied; 18 percent were vacant for seasonal, recreational or occasional use (1,272 units); and the remaining vacant units were classified as "other vacant".³

² The American Community Survey (ACS) is an annual housing and population survey conducted by the U.S. Census for cities of a certain size. The survey form is comparable to that "long form" used in the decennial Census. The ACS is one of the most comprehensive sources of housing market, economic and demographic information published annually at smaller geographic levels.

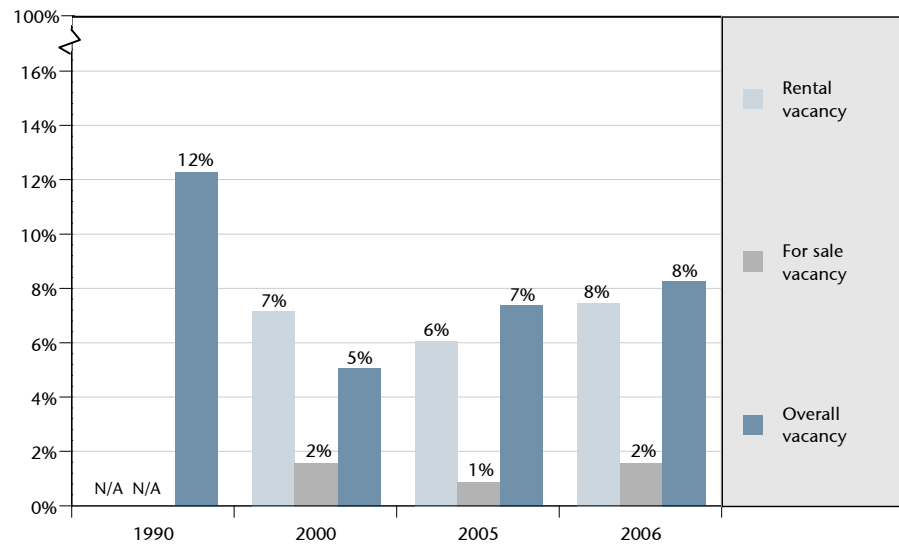
³ If a vacant unit does not fall into any of the categories specified above, it is classified as "Other vacant." For example, this category includes units held for occupancy by a caretaker or janitor, and units held for personal reasons of the owner.

The City's rental vacancy according to the ACS was 7.5 percent in 2006. BBC's survey of rental units located in large apartment complexes reported an average vacancy rate of 15 percent. The ACS vacancy rate for homes for sale was a very low 1.6 percent.

Exhibit III-6 shows the City's rental and for sale vacancy rates over time. Glendale's vacancy rate for all units dropped significantly between 1990 and 2000, and has been on the rise since 2000. The City's rental vacancy rate has consistently exceeded the vacancy rate of for sale homes by about 5.5 percentage points.

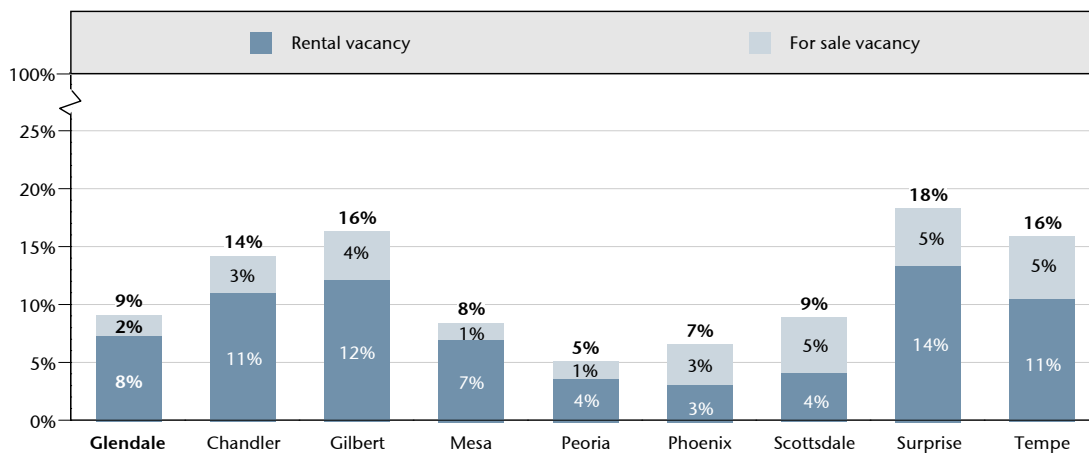
**Exhibit III-6.
Residential
Vacancy Rates,
City of Glendale,
1990–2006**

Source:
U.S. Census Bureau's 2006
American Community Survey



Glendale's vacancies were lower than most surrounding areas, as shown in Exhibit III-7. Glendale's rental vacancy rate was slightly lower than average, and its for sale vacancy was much lower than other areas'.

**Exhibit III-7.
Vacancy Rates, Glendale and Surrounding Areas, 2006**

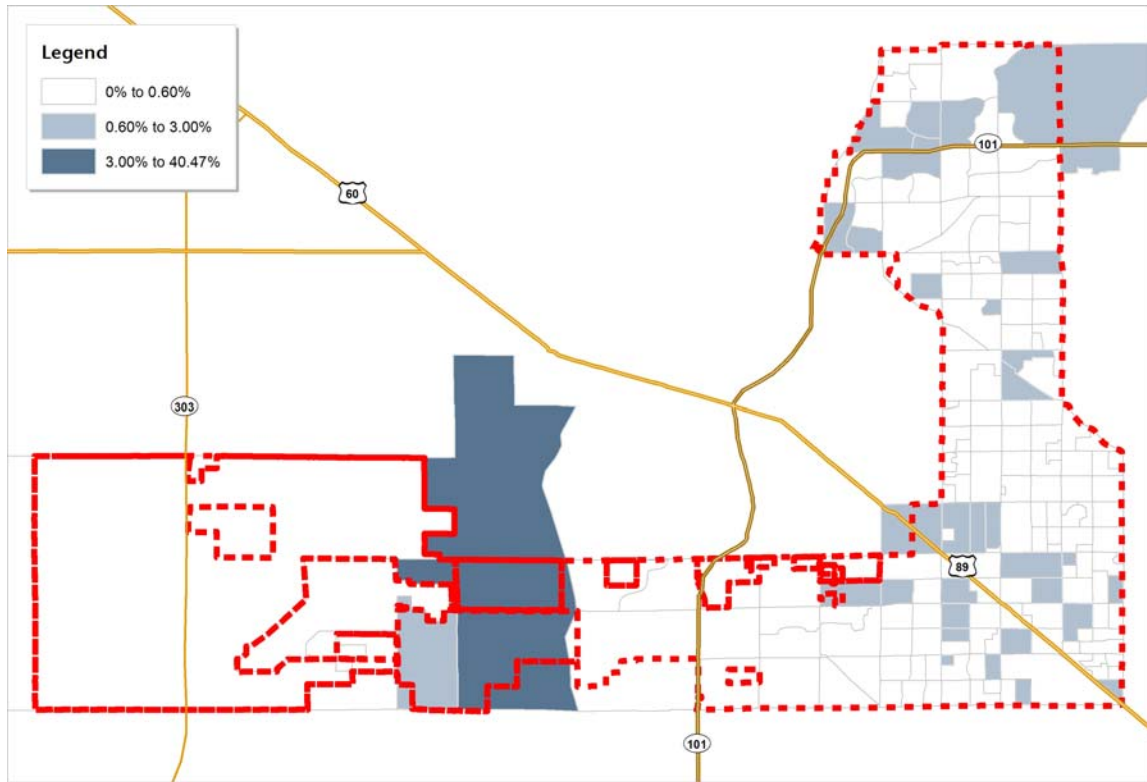


Note: Data were not available for Avondale.

Source: American Community Survey 2006 and BBC Research & Consulting.

Exhibit III-8 shows the distribution of the vacant units in Glendale by Census Block Group, estimated for 2006. Approximately 40 percent (over 3,000 vacant units) of the vacant units located in Glendale are in the darkest shaded Block Group in the western part of the City.

Exhibit III-8.
Percent of Total Vacant Units in the City of Glendale by Block Group, 2006

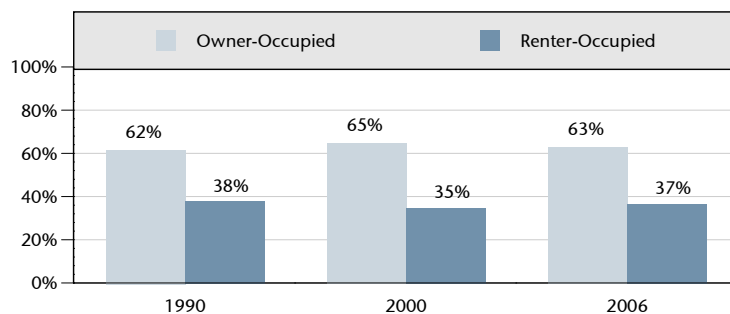


Note: The darker shaded Block Group (Block Group 1, Census Tract 610.06) has an estimated 43 percent of its housing units that are vacant.
Source: Claritas, 2006 estimates

Tenure. Of the City's 77,300 occupied housing units, 48,750, or 63 percent, were owner-occupied. An estimated 28,566 units, or 37 percent, were renter-occupied. Exhibit III-9 shows the proportional change in tenure in Glendale since 1990. The ACS data suggest that Glendale continued a similar split between renters and owners of approximately 63 percent of housing units occupied by owners and 37 percent occupied by renters. This movement is consistent with national increases in homeownership rates in the late 1990s and early 2000s. In 2006, the homeownership rate in Glendale is estimated at 63 percent.

Exhibit III-9.
Percent of Owner- and Renter-Occupied Housing Units, City of Glendale, 1990, 2000 and 2006

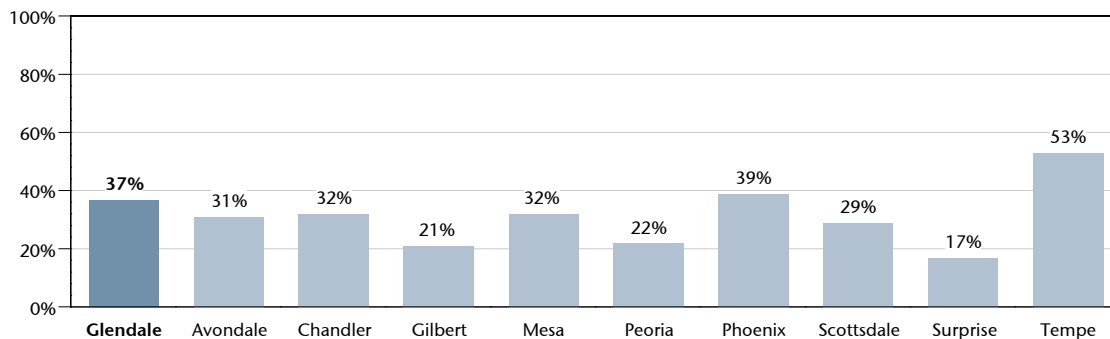
Source:
U.S. Census Bureau's 1990 and 2000 Decennial Census and 2006 American Community Survey.



Compared to surrounding areas, the percent of Glendale's units occupied by renters was slightly above average. Tempe had the highest percentage of renters at 53 percent; Surprise and Gilbert were the lowest at 17 and 21 percent, respectively. Exhibit III-10 compares the percentage of residential units that are rentals in Glendale with surrounding areas.

Exhibit III-10.

Percent of Residential Units that are Renter-Occupied, Glendale and Surrounding Areas, 2006

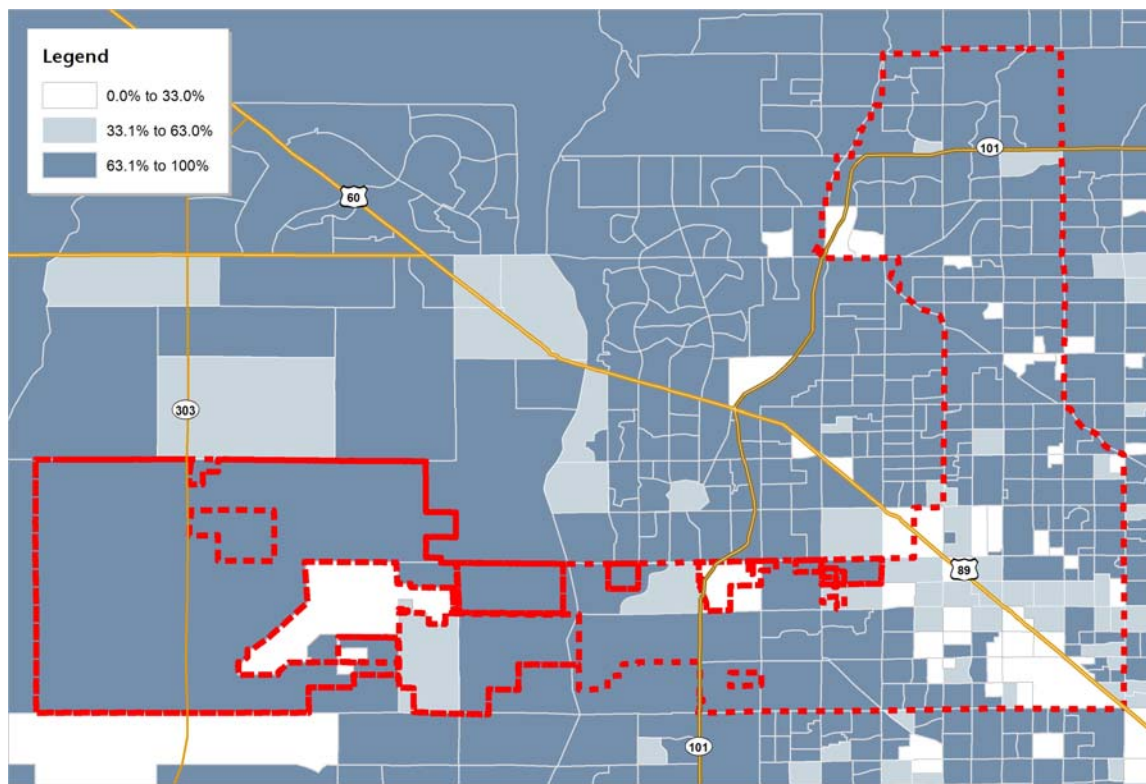


Source: American Community Survey, 2006 and BBC Research & Consulting.

Exhibit III-11 shows the homeownership rate in Glendale by Block Group, according to the commercial data provider, Claritas. The areas with the darkest shading indicate Block Groups where the homeownership percentage was higher than the City average overall. The map shows that homeownership is lowest in central and southeast Glendale.

Exhibit III-11.

Percent of Owner-Occupied Housing Units by Block Group, 2006

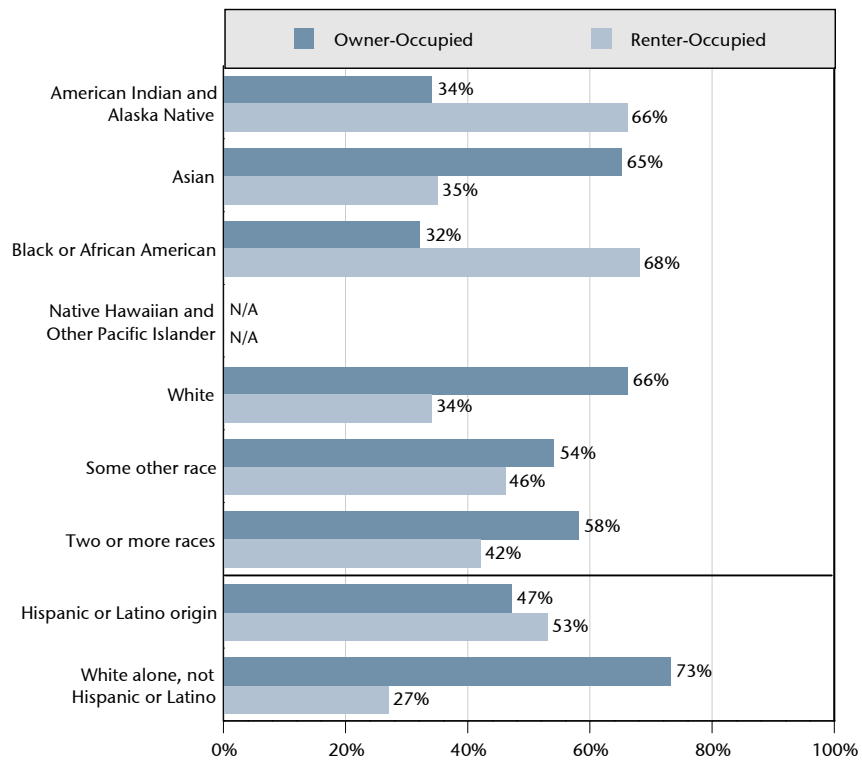


Source: Claritas, 2006 estimates

According to ACS, in 2006, White households made up the majority (82 percent) of the households in Glendale. Concerning ethnicity, Hispanic and Latino households comprised 28 percent of households in Glendale. Homeownership was highest among the City's White and Asian population, with 66 percent and 65 percent, respectively, of households who described themselves as White or Asian owning their houses. Hispanics had a homeownership rate of 47 percent, while African American households had the lowest homeownership rate of 32 percent. Exhibit III-12 presents homeownership and rental rates by race and ethnicity.

**Exhibit III-12.
Percent of Owner-
and Renter-
Occupied Housing
Units by Race and
Ethnicity, City of
Glendale, 2006**

Source:
U.S. Census Bureau's 2006
American Community Survey.



Housing condition. This section discusses residential housing condition in Glendale in terms of age, overcrowdedness and substandard condition.

Age. An important indicator of housing condition is the age of the home. Older houses tend to have more condition problems and are more likely to contain materials such as lead paint. In areas where revitalization of older housing stock is active, many old houses may be in excellent condition; however, in general, condition issues are still most likely to arise in older structures.

According to ACS, approximately half of Glendale's rental housing units were built before 1980. Over half (58 percent) of Glendale's rental units were built between 1970 and 1989; another 13 percent were built during the 1990s and 14 percent were built prior to 1950. An estimated 14 percent of Glendale's rental housing has been built since 2000.

Glendale's owner-occupied housing stock is slightly newer, with approximately half of the units built before 1984. Fifty-three percent of Glendale's owner-occupied housing stock was built between 1970 and 1989, an additional 26 percent was built during the 1990s and 10 percent has been built since 2000. Exhibit III-13 presents the estimated age distribution of housing units in the City of Glendale.

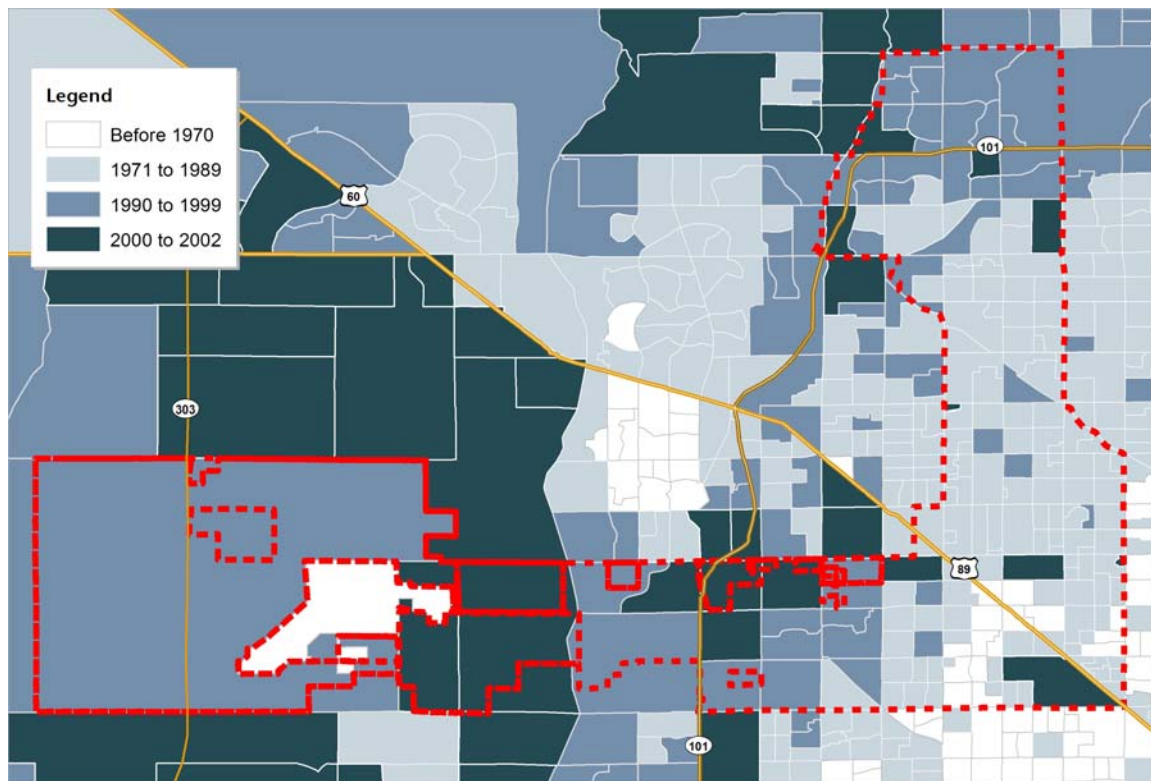
Exhibit III-13.
Year Structure was Built for Owner- and
Renter-Occupied Housing Units, City of Glendale, 2006

	Owner-Occupied	Renter-Occupied	Percent Owner-Occupied	Percent Renter-Occupied
Built 2000 or later	4,891	3,926	10%	14%
Built 1990 to 1999	12,916	3,841	26%	13%
Built 1970 to 1989	25,841	16,667	53%	58%
Built 1950 to 1969	3,875	2,913	8%	10%
Built 1949 or earlier	<u>1,227</u>	<u>1,219</u>	<u>3%</u>	<u>4%</u>
Total	48,750	28,566	100%	100%

Source: U.S. Census Bureau's 2006 American Community Survey

Exhibit III-14 shows the median age of housing stock by Block Group. Much of the City's housing stock had a median year built of between 1970 and 1989.

Exhibit III-14.
Median Year Housing Units Were Built by Block Group, 2006



Source: Claritas, 2006 estimates

Overcrowded. HUD defines an overcrowded unit as having more than one person per room. According to 2006 ACS data, about 6 percent of housing units (or 4,606 units) were overcrowded in Glendale; this is slightly more than the 5 percent of the State's housing units that were overcrowded. Three percent of owner-occupied housing units (1,375 units) were overcrowded, compared to 11 percent of renter-occupied units (3,231 units) that were overcrowded.

According to the Census, overcrowdedness has improved since 2000. In 2000, 5 percent of owners lived in overcrowded conditions, compared to 3 percent in 2006. Overcrowdedness of renters declined even more, from 18 percent in 2000 to 11 percent in 2006. Some of the decline is likely related an increase in housing supply from the strong development in Glendale. Softening of the rental market, making rental rates more affordable for lower-income households, is likely another factor.

Hispanic or Latino households were more likely to be living in overcrowded conditions compared to White households. Approximately 13 percent (2,913 households) of Hispanic or Latino households were overcrowded compared to 3 percent (1,306 households) of White, not Hispanic or Latino, households.

Severely substandard. The 2006 ACS reported that approximately 611 housing units in the City are considered severely substandard because they lacked complete plumbing facilities⁴ or complete kitchens⁵. Together, assuming no overlap, these units represented about 0.7 percent of the City's total housing units in existence in 2006.

Exhibit III-15 presents the estimated number and percentage of homes in the City with substandard condition problems as of 2006.

Exhibit III-15.
Severely Substandard Housing by Tenure and Vacancy, City of Glendale, 2006

	Owner-Occupied	Renter-Occupied	All Occupied	Vacant	All Housing Units
Housing Units	48,750	28,566	77,316	7,018	84,334
Lacking complete kitchen facilities	46	72	118	178	296
Lacking complete plumbing facilities	52	0	52	263	315
Percent of Housing Units	100%	100%	100%	100%	100%
Lacking complete kitchen facilities	0.1%	0.3%	0.2%	2.5%	0.4%
Lacking complete plumbing facilities	0.1%	0.0%	0.1%	3.7%	0.4%

Source: U.S. Census Bureau's 2006 American Community Survey

⁴ The data on plumbing facilities were obtained from both occupied and vacant housing units. Complete plumbing facilities include: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three facilities must be located in the housing unit.

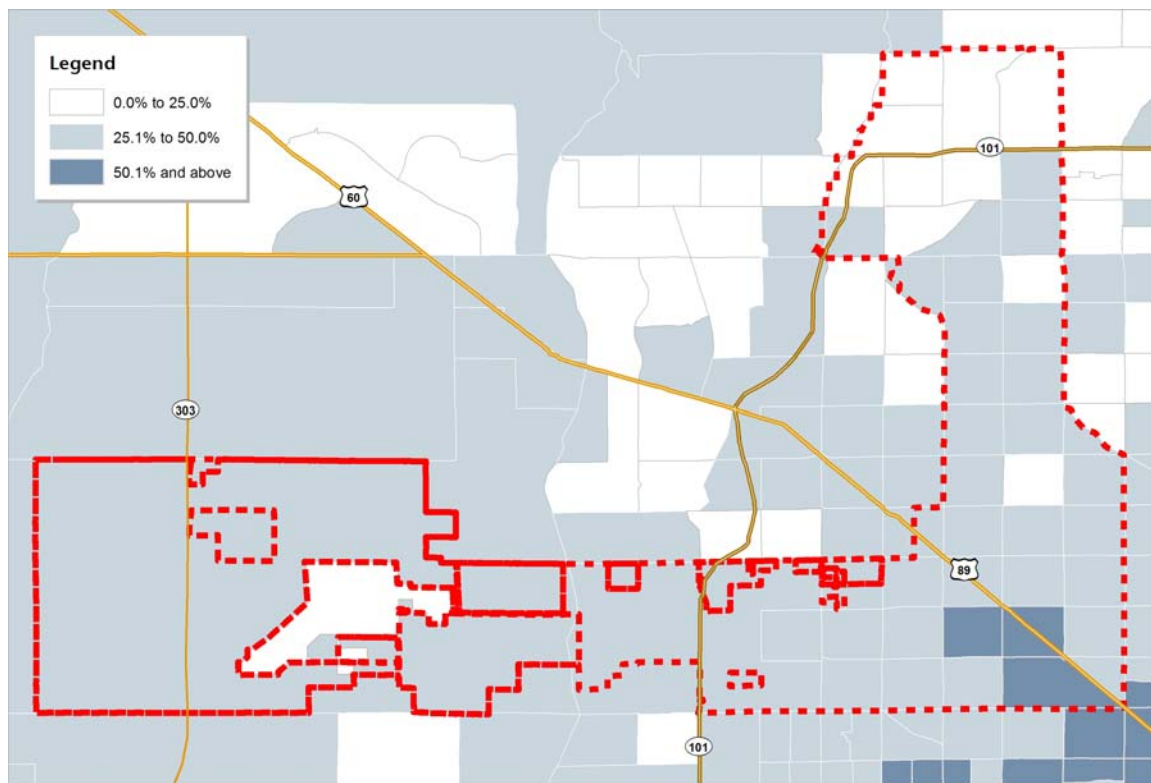
⁵ A unit has complete kitchen facilities when it has all of the following: (1) a sink with piped water; (2) a range, or cook top and oven; and (3) a refrigerator. All kitchen facilities must be located in the house, apartment, or mobile home, but they need not be in the same room. A housing unit having only a microwave or portable heating equipment, such as a hot plate or camping stove, should not be considered as having complete kitchen facilities. An icebox is not considered to be a refrigerator.

Exhibit III-16 shows the Census Tracts in the City where one or more of the following conditions exist in 2000:

- The unit lacks complete plumbing facilities;
- The unit lacks complete kitchen facilities;
- There are 1.01 or more occupants per room;
- Selected monthly owner costs as a percentage of household income in 1999 greater than 30 percent (owner cost burden); and
- Gross rent as a percentage of household income in 1999 greater than 30 percent (renter cost burden).

The exhibit shows that there are very few Census Tracts with severe and significant condition issues. In most Census Tracts, housing units are in good condition but between one-quarter and half of the households are cost burdened.

Exhibit III-16.
Percent of Occupied Housing Units with Selected Physical and Financial Conditions by Census Tract, City of Glendale, 2000



Note: The variable "Selected conditions" is defined for owner- and renter-occupied housing units as having at least one of the following conditions: (1) lacking complete plumbing facilities; (2) lacking complete kitchen facilities; (3) with 1.01 or more occupants per room; (4) selected monthly owner costs as a percentage of household income in 1999 greater than 30 percent; and (5) gross rent as a percentage of household income in 1999 greater than 30 percent.

Source: U.S. Census Bureau's 2000 Census.

Housing Cost and Relative Affordability

This section discusses housing costs in the Glendale area—both rental and homeownership. It uses the most recent and comprehensive market data available, including home resales in 2006 and 2007, a telephone survey of property managers and collection of rental advertisements in the local newspaper.

The affordability analysis in this section examines housing need across all income levels to identify mismatches in supply and demand for all households in Glendale. It reports the results of a modeling effort called a “gaps analysis,” which compares demand for housing at different income levels to the supply of housing units affordable at these income levels.

Defining affordability. In the housing industry, housing affordability is commonly defined in terms of the proportion of household income that is used to pay housing costs. Housing is “affordable” if no more than 30 percent of a household’s gross monthly income is needed for rent, mortgage payments and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered “cost burdened.”

Housing programs generally focus on assisting lower-income populations. HUD divides low- and moderate-income households into four categories based on their relationship to the area median income (AMI): extremely low-income (earning 30 percent or less of the area median income), very low-income (earning between 31 and 50 percent of the area median income), low-income (earning between 51 and 80 percent of area median income) and moderate-income (earning between 81 and 95 percent of area median income). The 2006 HUD MFI for the Phoenix-Mesa-Scottsdale MSA was \$60,100. In 2007, the MFI estimated by HUD was a slightly lower \$59,100.

Rental market. In order to better understand Glendale’s rental housing market, BBC reviewed the Census Bureau’s American Community Survey (ACS), Arizona Multihousing Association and collected local newspaper rental listings from June through August 2007. We also obtained a listing of property managers and apartment complexes from the Arizona Multihousing Association and telephoned a sample of the apartments to gather data on average rents and vacancies.

Census estimates. Current estimates of rent prices vary. According to ACS, the median gross rent in the City of Glendale was \$737 in 2006. This was about 20 percent higher than the median rent of \$612 reported by the Census in 2000.

State estimates. The Arizona Multihousing Association reported there were 149 rental projects in Glendale with 22,365 units. These units had an *average* rent of \$618 in the first quarter in 2007. A comparison of the Multihousing Association database with ACS data suggests that their is more representative of larger rental complexes and does not contain smaller rentals which often carry higher rents (e.g., single family homes, duplexes). This could explain some of the difference between the median rent reported by ACS and the average reported by the Multihousing Association.

Newspaper ads. The rental listings that BBC collected from classified ads in newspapers showed an overall median of \$1,250 per month and an overall average of \$1,301. The vast majority of the ads were for single family detached homes for rent. The *apartments* captured by the review of the ads had a median rental rate of \$600 per month and an average of \$608—very close to the Multihousing Association data. Rents for single family homes were more than double the rents on apartments: The median rent for single family homes was \$1,300 per month; the average was \$1,408.

Apartment survey. To supplement the Multihousing Association, newspaper ads and ACS data on multifamily units and rents, BBC conducted a telephone survey of the apartment complexes listed in the Multihousing Association database. We separated the complexes by Census Tract location in the City, and called at least one apartment complex in each Census Tract. We received responses from apartment complexes in 24 Census Tracts. Together, the units covered by the survey represent approximately 30 percent of all attached rental units in the City.

The BBC survey mostly captured larger apartment complexes. The smallest development surveyed had a little more than 110 units; the largest had approximately 750.

The average rent reported by survey respondents was \$704. The median rent was \$684. By size, the respondents reported average rents of:

- One-bedroom apartments—\$625 average rent/month;
- Two-bedroom apartments—\$778 average rent/month; and
- Three-bedroom apartments—\$978 average rent/month.

Putting all of the data we collected together, we can conclude the following:

- The median rent for apartments in large complexes is approximately \$650/month;
- The median rent for single family homes for rent approximates \$1,300/month; and
- The average rent for units in large complexes ranges between \$600 and \$700 per month, depending on the complex.

Exhibit III-17 shows the median and average rents by type of housing unit for all of the rental data collected.

Exhibit III-17.

Median and Average Rent by Type, City of Glendale, 2007

	American Community Survey, 2006	Census, 2000	Arizona Republic Ads	Multihousing Association	BBC Telephone Survey
Median Rent	\$737	\$612	\$1,250		
Apartments only			\$600		
Single family homes only			\$1,300		
Average Rent			\$1,301	\$608	
Apartments only			\$608		
Single family homes only			\$1,429		

Source: Arizona Republic, Arizona Multihousing Association, American Community Survey 2006, BBC Research & Consulting.

Exhibit III-18 shows median rents by housing unit size and the number and proportion of renter households in Glendale who could afford such rents without being cost burdened. An estimated 62 percent of Glendale's renters could afford the median priced one-bedroom rental unit without being cost burdened, leaving 38 percent of renters unable to afford the median priced one-bedroom unit.

About 51 percent of renters could afford the median priced two-bedroom unit. A much smaller 21 percent could afford to rent the median priced single family home.

Exhibit III-18.
Affordability of Rental Units
by Size, City of Glendale,
Fall 2007

Source:
BBC Research & Consulting.

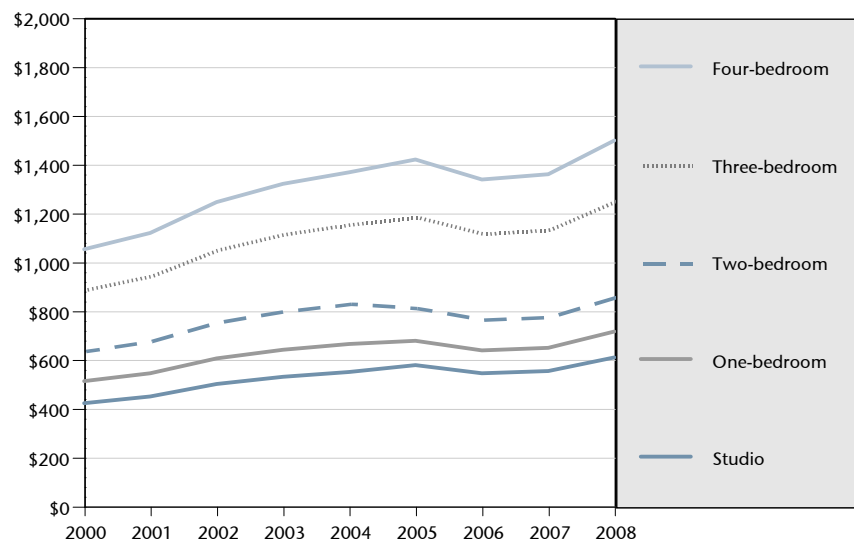
	Median Rent	Income Needed to Afford	Percentage of Glendale's Renters Who Can Afford Median Rent
One-bedroom	\$574	\$22,960	62%
Two-bedroom	\$809	\$32,360	51%
Single family house	\$1,300	\$52,000	21%

HUD Fair Market Rent. The U.S. Department of Housing and Urban Development (HUD) estimates Fair Market Rents (FMRs) by bedroom size each year for the Phoenix metropolitan area, which includes Glendale. The FMRs include utility costs, except for telephones. FMRs determine the eligibility of rental housing units for the federal Section 8 Housing Assistance Payments program and Rental Voucher program. HUD sets Fair Market Rents to assure that a sufficient supply of rental housing is available to program participants. The Housing Choice Voucher Rent Payment Standard is based on the FMRs with adjustments made for conditions of a particular community.

In 2008, HUD estimates the FMR for two-bedroom units in the Phoenix MSA to be \$862. Exhibit III-19 shows how the HUD FMRs have changed between 2000 and 2008.

Exhibit III-19.
HUD Fair Market
Rent Values by
Type, Phoenix MSA,
2000 to 2008

Source:
U.S. Department of Housing & Urban Development.



During the past 8 years, FMRs have risen between 34 and 42 percent. Two-bedroom units had the smallest percentage increase, rising 34 percent, or by \$220. Four-bedroom units saw the highest increase at 42 percent or by \$446.

Homeownership in Glendale. In 2006, the American Community Survey reported the median value of all owner-occupied homes in the City at \$243,900. Based on MLS data, the median price of a *detached*, single family home sold or for sale in Glendale from January 1, 2007 to July 16, 2007 was \$253,000. This is very close to the ACS estimate. The median price of a single family *attached* home⁶ sold during the first half of 2007 was \$147,000.

In 2000, the Census estimated the median value of owner-occupied housing in Glendale at \$113,300. Between 2000 and 2006, the median value increased 115 percent, or by an average of 20 percent per year.

This increase was not linear, however—a review of MLS data show prices increased modestly until 2004, when they rose sharply. They maintained the increase until 2007, when prices dropped slightly. Exhibit III-20 compares the average and median asking and sold price for homes on the market between 2000 through July 16, 2007.

Exhibit III-20.
Median and Average
Price of Homes Sold or
For Sale, City of Glendale,
2000 – July 16, 2007

Source:
Glendale MLS Sales Data from Bill Whetten and
BBC Research & Consulting.

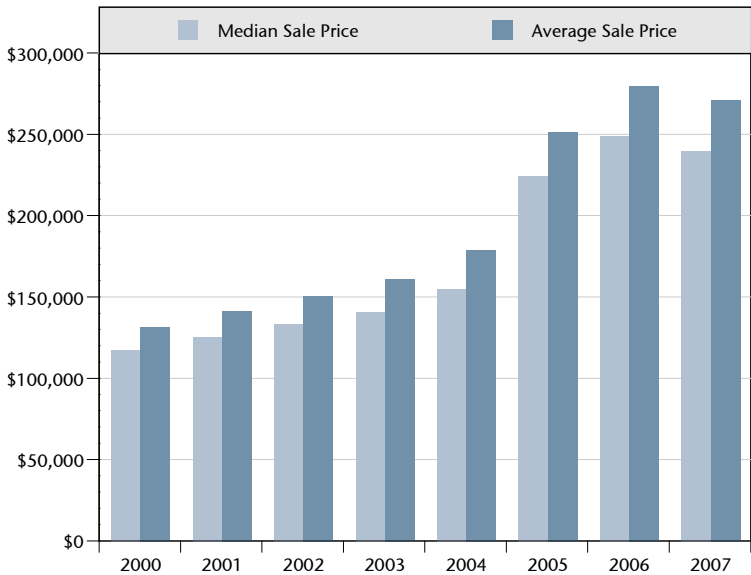
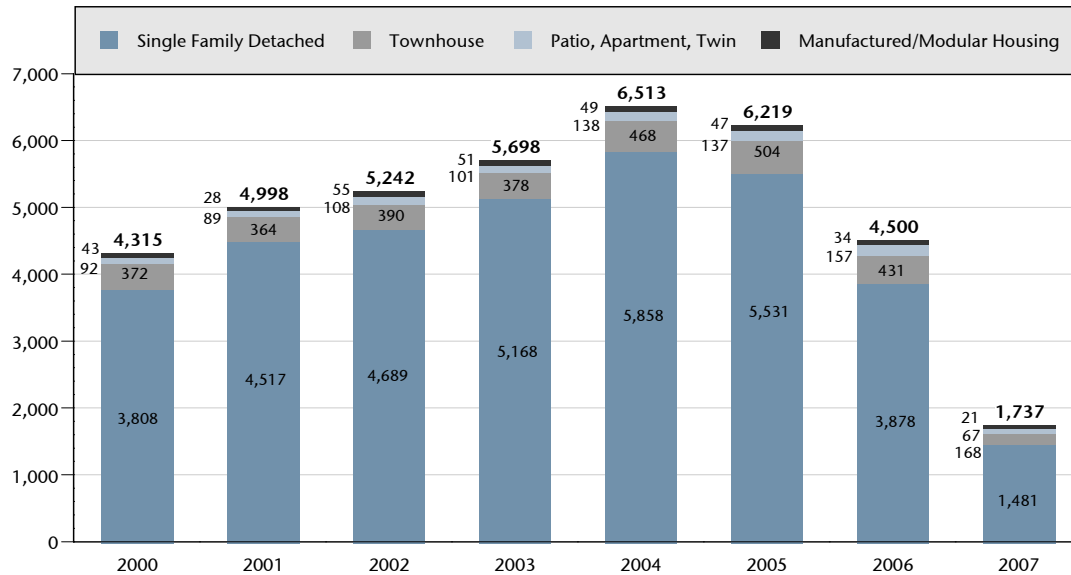


Exhibit III-20 demonstrates the dramatic rise in housing prices between 2004 and 2005, followed by a slight decline in 2007.

⁶ “Single family attached” includes patio homes, townhouses and Gemini/twin homes/duplexes.

The vast majority of homes for sale in Glendale between 2000 and 2007 were single family detached; these sales made up 86 percent of homes sold in 2006 and the first half of 2007. Exhibit III-21 shows the proportion of units for sale and sold by type.

Exhibit III-21.
Type of Homes Sold, City of Glendale, 2000 – July 16, 2007



Source: Glendale MLS Sales Data from Bill Whetten and BBC Research & Consulting.

The dominance of detached, single family homes in the Glendale market has implications for affordability. Single family detached homes carry much higher prices, as evidenced by the price differential in 2007: The median price of a single family detached home on the MLS was \$253,000 compared to \$147,000 for the median price of an attached home.

A comparison of the number of bedrooms, baths and square footage of homes on the market between 2000 and 2007 does not show much variation. Therefore, the increase in pricing appears to be related to the overall increase in housing values nationwide rather than pricing related to a newer, higher-valued product. The median house on the market in 2000 had three-bedrooms, two-baths, 1,645 square feet and was built in 1984. In 2006 (when the median price reached its high), the median house on the market had three-bedrooms, two-baths, 1,648 square feet and was built in 1986.

Exhibit III-22 presents summary data on the market between 2000 and July 16, 2007, including median and average price, unit characteristics and unit type.

Exhibit III-22.

Summary of Units on the Market, City of Glendale, 2000 — July 16, 2007

	2000	2001	2002	2003	2004	2005	2006	2007	2000-2007
Median:									
List Price	\$119,400	\$126,900	\$135,000	\$142,500	\$155,000	\$225,000	\$250,000	\$245,000	\$159,900
Sale Price	\$118,000	\$125,900	\$134,000	\$141,000	\$155,000	\$225,000	\$249,075	\$240,000	\$158,000
Beds	3	3	3	3	3	3	3	3	3
Bath Total	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
SqFt	1,645	1,667	1,677	1,692	1,684	1,676	1,649	1,638	1,669
Pool									
Year Built	1,985	1,985	1,986	1,986	1,986	1,986	1,986	1,986	1,986
Average:									
List Price	\$133,810	\$143,914	\$153,091	\$164,203	\$180,774	\$252,550	\$285,246	\$278,897	\$192,514
Sale Price	\$131,754	\$141,897	\$150,785	\$161,688	\$179,048	\$251,917	\$279,983	\$271,314	\$190,032
Beds	3	3	3	3	3	3	3	3	3
Bath Total	2.08	2.10	2.12	2.14	2.13	2.12	2.11	2.12	2.12
SqFt	1,747	1,784	1,784	1,799	1,791	1,782	1,753	1,774	1,779
Pool									
Year Built	1,982	1,979	1,984	1,986	1,985	1,985	1,985	1,986	1,971
Dwelling Type:									
Single Family Detached	3,808	4,517	4,689	5,168	5,858	5,531	3,878	1,481	34,930
Patio Home	40	38	43	34	48	45	32	18	298
Townhouse	372	364	390	378	468	504	431	168	3,075
Apartment Style Condo	43	32	38	51	67	62	101	38	432
Gemini/Twin Home	9	19	27	16	23	28	24	11	157
Manufactured/ Mobile Housing	35	22	48	38	31	47	34	21	276
Modular/Pre-Fab	8	6	7	13	18	0	0	0	52
Loft Style	0	0	0	0	0	2	0	0	2
TOTAL	4,315	4,998	5,242	5,698	6,513	6,219	4,500	1,737	39,222

Source: Glendale MLS Sales Data from Bill Whetten and BBC Research & Consulting.

Glendale compared to surrounding areas. In 2000, Glendale, along with Phoenix and Mesa, offered some of the most affordable housing stock in the Phoenix metropolitan area. Glendale's median value for owner-occupied homes was \$113,300—just slightly higher than Mesa's at \$112,100 and Phoenix's at \$107,000.

Nearby Avondale, Peoria and Surprise reported median values in the \$120,000s, while Goodyear's median was \$152,500 in 2000. Except for Tempe and Mesa, housing in the eastern part of the metro area was much higher priced, ranging from a low of \$135,100 in Chandler, to \$205,000 in Scottsdale, to a high of \$726,400 in Paradise Valley.

Data on values in 2005 and 2006 show that Glendale is still more affordable than many cities in the metro area. In 2006, the median value of owner-occupied housing in Glendale was lower than values in Avondale, Scottsdale and Tempe, and on par with the median value in Phoenix. A comparison of increases in median values between 2000 and 2006 shows that the percent and dollar value increase in Glendale (115 percent and \$130,600) were lower than the metro average of 127 percent and \$170,000⁷.

Exhibit III-23 compares 2000 and 2006 median home values for Glendale and surrounding cities for which comparative data are available.

Exhibit III-23.
Median Values of Owner-Occupied Housing,
Glendale Compared to Surrounding Areas, 2000 and 2006

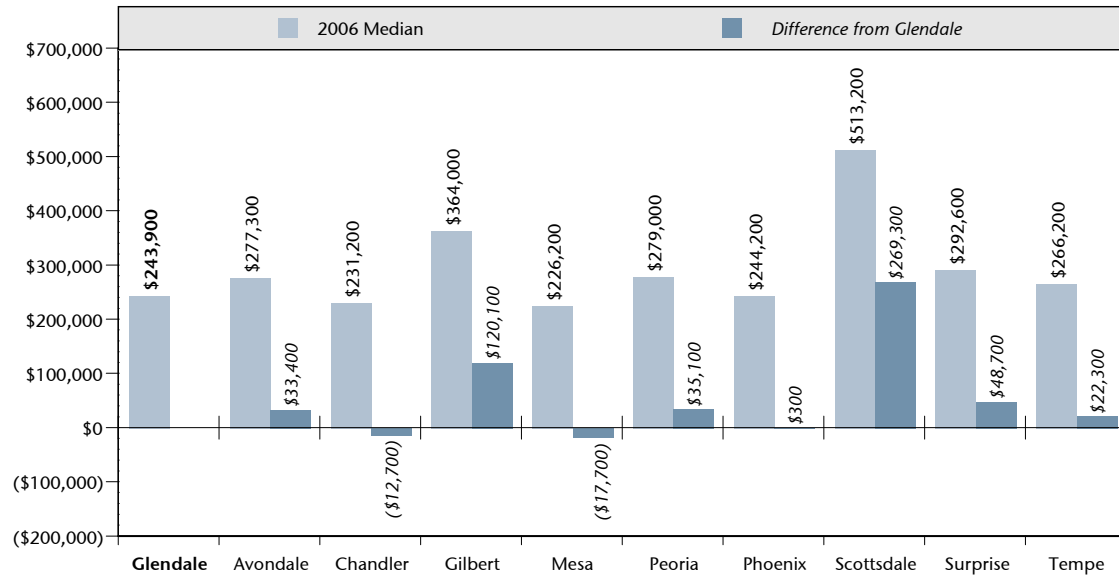
	Glendale	Avondale	Chandler	Gilbert	Mesa
2000	\$113,300	\$122,500	\$135,100	\$157,400	\$112,100
<i>Difference from Glendale</i>		\$9,200	\$21,800	\$44,100	-\$1,200
2005	\$196,200	\$209,400	\$241,300		\$174,300
<i>Difference from Glendale</i>		\$13,200	\$45,100		-\$21,900
2006	\$243,900	\$277,300	\$321,200	\$364,000	\$226,200
<i>Difference from Glendale</i>		\$33,400	\$77,300	\$120,100	-\$17,700
Increase in Median, 2000-2006	\$130,600	\$154,800	\$186,100	\$206,600	\$114,100
Percent Increase in Median	115.3%	126.4%	137.7%	131.3%	101.8%
	Peoria	Phoenix	Scottsdale	Surprise	Tempe
2000	\$121,100	\$107,000	\$205,000	\$122,400	\$126,700
<i>Difference from Glendale</i>	\$7,800	-\$6,300	\$91,700	\$9,100	\$13,400
2005		\$184,300	\$422,000		\$199,300
<i>Difference from Glendale</i>		-\$11,900	\$225,800		\$3,100
2006	\$279,000	\$244,200	\$513,200	\$292,600	\$266,200
<i>Difference from Glendale</i>	\$35,100	\$300	\$269,300	\$48,700	\$22,300
Increase in Median, 2000-2006	\$157,900	\$137,200	\$308,200	\$170,200	\$139,500
Percent Increase in Median	130.4%	128.2%	150.3%	139.1%	110.1%

Source: U.S. Census Bureau's American Community Survey, 2006 and BBC Research & Consulting.

⁷ For cities for which the median value was available in 2006, including Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale, Surprise and Tempe.

Exhibit III-24 graphically shows the difference between the median value in Glendale and surrounding areas.

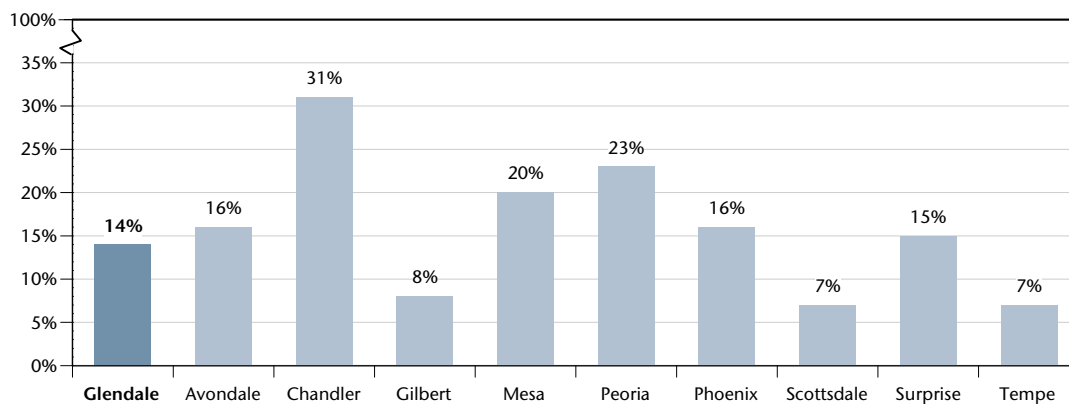
Exhibit III-24.
Median Values, 2006 and Difference from Glendale Median



Source: U.S. Census Bureau's American Community Survey, 2006 and BBC Research & Consulting.

Exhibit III-25 shows the approximate percentage of renters who could afford to buy the median valued home in 2006. Tempe, Scottsdale and Gilbert are the least affordable by this measure. Chandler is the most affordable, followed by Peoria and Phoenix. At 18 percent, Glendale is about average.

Exhibit III-25.
Percent of Renters who can Afford Median valued Home, Glendale Compared to Surrounding Areas, 2006



Source: U.S. Census Bureau's American Community Survey, 2006 and BBC Research & Consulting.

Glendale's rental housing is much more affordable compared to surrounding areas than its owner-occupied housing, which, in the previous exhibit, has about average affordability. In 2000, only Avondale had a median rent lower than Glendale's. In 2006, Glendale is estimated to have the lowest median rent of all surrounding areas for which data are available. Mesa is the second most affordable, with a median rent just \$32 higher than Glendale's. The dollar increase and percentage change in Glendale's median rent rate was lower than the average for the area, as shown in Exhibit III-26.

Exhibit III-26.
Median Rents, Glendale Compared to Surrounding Areas, 2000 and 2006

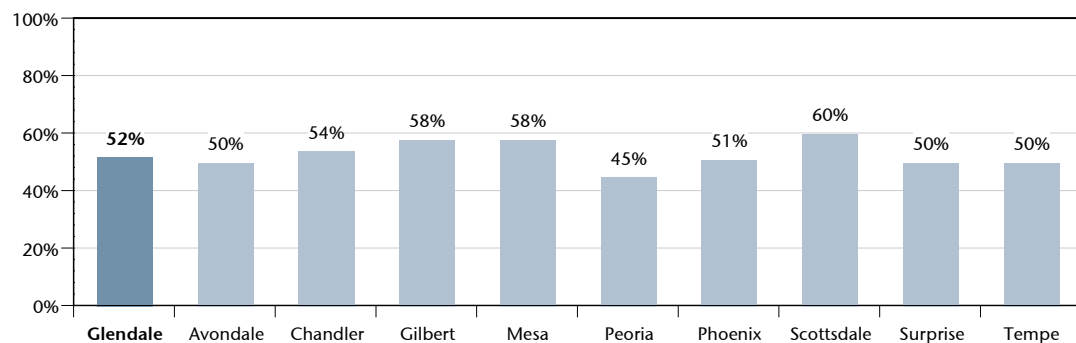
	Glendale	Avondale	Chandler	Gilbert	Mesa
2000	\$612	\$583	\$795	\$792	\$669
<i>Difference from Glendale</i>		-\$29	\$183	\$180	\$57
2006	\$737	\$956	\$982	\$1,109	\$773
<i>Difference from Glendale</i>		\$219	\$245	\$372	\$36
Increase in Median, 2000-2006	\$125	\$373	\$187	\$317	\$104
Percent Increase in Median	20.4%	64.0%	23.5%	40.0%	15.5%

	Peoria	Phoenix	Scottsdale	Surprise	Tempe
2000	\$941	\$622	\$844	\$663	\$715
<i>Difference from Glendale</i>	\$329	\$10	\$232	\$51	\$103
2006	\$1,043	\$769	\$1,008	\$1,061	\$782
<i>Difference from Glendale</i>	\$306	\$32	\$271	\$324	\$45
Increase in Median, 2000-2006	\$102	\$147	\$164	\$398	\$67
Percent Increase in Median	10.8%	23.6%	19.4%	60.0%	9.4%

Source: U.S. Census Bureau's American community Survey, 2006 and BBC Research & Consulting.

Exhibit III-27 shows that, despite Glendale's relative affordability, only about half of the City's renters can afford the median rent. The exhibit shows the percentage of renters who could afford the median rent in 2006. The variation in affordability of the median rent across the different cities is much smaller than the variation in affordability of the median valued home.

Exhibit III-27.
Percent of Renters who can Afford Median Rent, Glendale Compared to Surrounding Areas, 2006



Source: U.S. Census Bureau's American Community Survey, 2006 and BBC Research & Consulting.

Affordability Analysis

This analysis examines housing needs across all income levels, to identify mismatches in supply and demand for all households in the City of Glendale. It reports the results of a modeling effort called a “gaps analysis,” which compares housing affordability for households at different income levels to the supply of housing units affordable at these income levels.

Because it is impossible to estimate the type of housing each household in Glendale would prefer, income is used as a proxy. Income is the most important factor in accessing housing. Indeed, one of the first steps in the homebuying process is to “prequalify” with a lender. (Or, for renters, the first step is to complete a rental application which reports the amount and sources of income). This prequalification puts a limit on what a household can afford, immediately constraining their choice of homes.

The calculation to determine what is “affordable” to the various income groups assumes the following:

- First, households cannot pay more than 30 percent of their income for housing costs.
- Second, housing costs for homeowners include not only mortgage costs, but also hazard insurance, taxes and maintenance, and, in some cases, private mortgage insurance (PMI).
- Third, housing costs for both homeowners and renters must be adjusted to include utility payments.
- Finally, the home price calculations throughout this section assume a 5 percent down payment, 30 year repayment period and a 6 percent interest rate.

What can households afford? Exhibit III-28 shows the rents and mortgage payments households at various income levels can afford. These households represent current residents of the City of Glendale. Units are affordable if no more than 30 percent of a household's income is required to pay both rent/mortgage and utilities. For example, households earning less than \$10,000 per year could afford to pay a maximum of \$200 in rent and utilities and afford a home priced at \$29,258.

Exhibit III-28.

Affordable Rents and Home Prices by Income Range, City of Glendale, 2006

Income Range	Renters		Maximum Affordable Rents + Utilities	Owners		Maximum Affordable Home Price
	Number	Percent		Number	Percent	
\$0-\$9,999	4,057	13%	\$200	1,275	2%	\$29,258
\$10,000-\$14,999	4,612	15%	\$325	1,544	3%	\$47,547
\$15,000-\$19,999	1,526	5%	\$450	1,628	3%	\$65,835
\$20,000-\$24,999	2,739	9%	\$575	2,417	5%	\$84,124
\$25,000-\$34,999	4,432	14%	\$800	4,486	8%	\$117,043
\$35,000-\$49,999	7,055	23%	\$1,175	7,666	14%	\$171,909
\$50,000-\$74,999	3,695	12%	\$1,800	12,124	23%	\$263,352
\$75,000-\$99,999	1,993	6%	\$2,400	8,570	16%	\$351,137
\$100,000-\$149,999	709	2%	\$3,650	8,679	16%	\$534,022
\$150,000 or more	377	1%	\$3,650	4,845	9%	\$534,026
Total	31,194	100%		53,235	100%	

Note: Mortgage loan terms are assumed as follows: 30 year fixed, 6 percent, 5 percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, property taxes, utilities and PMI.

Source: BBC Research & Consulting.

Rental affordability. Exhibit III-29 shows the estimated number of renter households in each income category in 2006, along with the number and proportion of rental units affordable to them. The categories are adjusted to incorporate Section 8 voucher subsidies received by households who have vouchers.

Exhibit III-29.

Renters Compared to Affordable Rental Units, City of Glendale, 2006

Income Ranges	Renters		Maximum Affordable Rents + Utilities	Total Units	Percentage of Units	Difference Percentage
	Number	Percent				
\$0-\$9,999	4,057	13%	\$200	2,077	6%	-7%
\$10,000-\$14,999	4,612	15%	\$325	905	3%	-12%
\$15,000-\$19,999	1,526	5%	\$450	765	2%	-3%
\$20,000-\$24,999	2,739	9%	\$575	7,184	21%	12%
\$25,000-\$34,999	4,432	14%	\$800	7,852	22%	8%
\$35,000-\$49,999	7,055	23%	\$1,175	9,764	28%	5%
\$50,000-\$74,999	3,695	12%	\$1,800	4,792	14%	2%
\$75,000-\$99,999	1,993	6%	\$2,400	1,651	5%	-2%
\$100,000-\$149,999	709	2%	\$3,650	0	0%	-2%
\$150,000 or more	377	1%	\$3,650	0	0%	-1%
Total	31,194	100%		34,990	100%	

Source: BBC Research & Consulting.

Rental mismatch summary. Exhibit III-30 shows the estimated number of renter households in Glendale in 2006, their income levels, the maximum rent level they could afford and the number of units in the market that were affordable to them. The column on the far right shows the “gap” between the number of households and the number of rental units affordable to them. Negative numbers (in parentheses) indicate a shortage of units at the specific income level; positive units indicate an excess of units.

Exhibit III-30.
Rental Gap Analysis, 2006

Income Range	Renters		Maximum Affordable Rents + Utilities	Total Units	Rental Gap
	Number	Percent			
\$0-\$9,999	4,057	13%	\$200	2,077	(1,979)
\$10,000-\$14,999	4,612	15%	\$325	905	(3,706)
\$15,000-\$19,999	1,526	5%	\$450	765	(760)
\$20,000-\$24,999	2,739	9%	\$575	7,184	4,445
\$25,000-\$34,999	4,432	14%	\$800	7,852	3,420
\$35,000-\$49,999	7,055	23%	\$1,175	9,764	2,709
\$50,000-\$74,999	3,695	12%	\$1,800	4,792	1,097
\$75,000-\$99,999	1,993	6%	\$2,400	1,651	(342)
\$100,000-\$149,999	709	2%	\$3,650	0	(709)
\$150,000 or more	377	1%	\$3,650	0	(377)
Total	31,194	100%		34,990	

Source: BBC Research & Consulting.

The gap analysis in Exhibit III-30 shows the following:

- In 2006, about 10,200 renter households—one-third of all renter households in Glendale—earned less than \$20,000. These households need to pay \$450 or less in rent and utilities each month to afford their housing costs, leaving money left over for other household expenses. Glendale has approximately 3,700 units affordable to these renters and rental assistance vouchers—leaving a gap of 6,500 underserved households. The gap is largest for households earning less than \$15,000.
- *Where do these renters live if they can't find housing they can afford?* Households earning less than \$20,000 who cannot find an affordable rental unit and do not hold a Section 8 voucher likely live in units that cost more than they can afford. The gaps analysis shows a more than adequate supply of rental units priced between \$450 and \$1,175 per month. Lower income households will occupy these units and be cost-burdened if they cannot find a more affordable unit.
- In contrast, renter households earning at least \$25,000 per year have plenty of affordable units available to them. And households earning more than \$75,000 per year could afford to pay higher rents than what the market offers.

It should be noted that although the gaps analysis indicates that there are more renter households earning more than \$75,000 than units they can afford, this does not always mean that there is pent up demand for higher-end rental units. High-income renters often choose to rent at levels lower than what they could afford because they are in a period of transition, are saving money to buy a home or simply choose to keep their housing costs very low. True demand for such units would need to be estimated using a more detailed market analysis.

Alleviating overcrowding. If the gaps numbers take into account the number of renter households who live in substandard units and overcrowded conditions, and we assume that renters in this situation earn less than \$20,000 per year, then the need for rental units priced to serve households earning less than \$20,000 increases by 3,300 units—or from 6,500 to 9,800.

Homeownership affordability. This gap analysis for the affordability of single family homes for sale was conducted to examine two facets of the for sale market:

- How easily renters at different income levels can afford to buy a home; and
- How easily current owners could afford to sell their current home and buy another home in Glendale.

The distribution of single family for sale units by price for Glendale was based on 2006 and 2007 listings and sales of homes on the market in Glendale.

Renter/for sale mismatch. Exhibit III-31 on the following page shows the estimated number and proportion of renter households in each income category in 2006, along with the number and proportion of homes affordable to them during the first half of 2007. This shows how affordable the single family for sale market was for renters looking to buy during 2007.⁸ It should be noted that these data include only homes that were listed on the Multiple Listing Service (MLS); therefore, they will not include homes sold *directly* by builders.

In 2006, almost half of homes for sale in Glendale's market were priced between \$172,000 and \$263,000. This compares with 12 percent of renters in this affordability category.

Renters in Glendale had to earn more than \$35,000 before just 10 percent of homes for sale in 2007 became affordable to them. Renters earning less than \$35,000—more than half of Glendale's renter population in 2006—could afford to buy just 2 percent of homes for sale in 2007. Renters would need to earn more than \$50,000 before more than half of the homes on the market in 2007 were in their price range.

⁸ We compared the MLS listings in 2007 and 2006 and found the market to be very similar. Therefore, the gaps analysis is reflective of 2006 as well as the first half of 2007.

Exhibit III-31.
Affordability of Single Family For Sale Market to Glendale's Renters, 2007

Income Range	Renters		Maximum Affordable Rents + Utilities	Units Sold		Homeownership Gap
	Number	Percent		Number	Percent	
\$0-\$9,999	4,057	13%	\$29,258	0	0%	-13%
\$10,000-\$14,999	4,612	15%	\$47,547	1	0%	-15%
\$15,000-\$19,999	1,526	5%	\$65,835	2	0%	-5%
\$20,000-\$24,999	2,739	9%	\$84,124	7	0%	-8%
\$25,000-\$34,999	4,432	14%	\$117,043	39	2%	-12%
\$35,000-\$49,999	7,055	23%	\$171,909	186	11%	-12%
\$50,000-\$74,999	3,695	12%	\$263,352	850	49%	37%
\$75,000-\$99,999	1,993	6%	\$351,137	364	21%	15%
\$100,000-\$149,999	709	2%	\$534,022	213	12%	10%
\$150,000 or more	377	1%	\$534,026	75	4%	3%
Total	31,194	100%		1,737	100%	

Source: BBC Research & Consulting.

Options for first-time homebuyers. Purchasing a home is usually most difficult for renters.⁹ Renters generally have lower incomes than homeowners, may have difficulty coming up with a downpayment, and are competing in the for sale market with many current homeowners who have higher incomes and established equity.

First-time homebuyers are often restricted by the type of housing and location of housing they can buy. In many cities, the most—and perhaps only—affordable for sale product for first-time homebuyers is attached housing (condominiums, townhomes, patio homes).

During the first half of 2007, there were 235 units sold that were affordable to households earning less than \$50,000 per year (about 13 percent of the 1,737 units for sale). Eleven percent of the 235 units were detached, single family homes; 81 percent were patio homes, townhomes, condominiums or twin homes; and 8 percent were mobile homes.

Exhibit III-32 shows the number, percentage and characteristics of homes affordable to households earning less than \$50,000 per year. The affordable homes are older, but are reasonably sized and generally have more than two-bedrooms and one-bath.

Exhibit III-32.
Characteristics of For Sale Homes Affordable to Households Earning Less Than \$50,000, City of Glendale, January – July 14, 2007

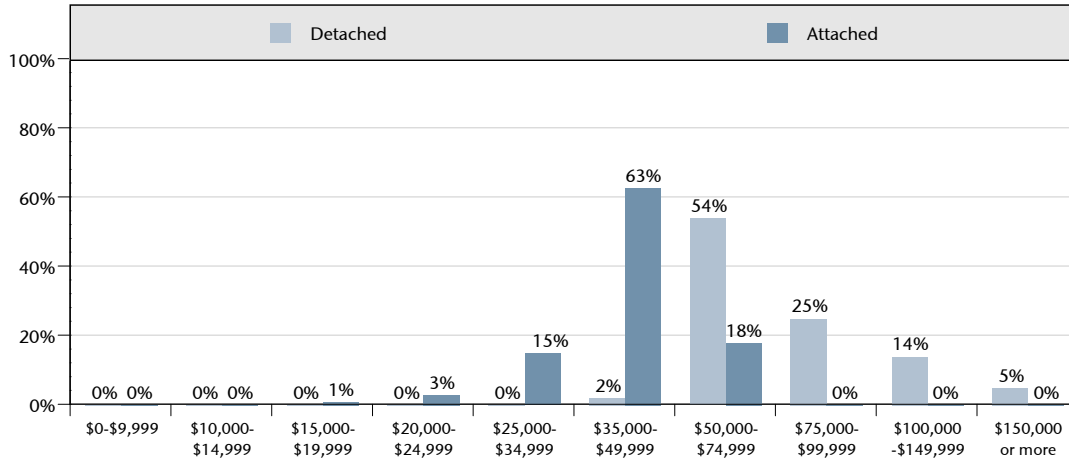
Source:
BBC Research and Consulting and
MLS Sales data provided by Bill Whetten.

	Detached	Attached	Mobile Home
Type of housing	11%	81%	8%
Average square feet	1,217	1,081	1,413
Average number of beds	3	2	3
Average number of baths	1.5	1.7	1.7
Average year built	1962	1980	1985

⁹ We assume that most renters—especially lower-income renters—have not owned a home in the past. In some cases, renters may be former homeowners who have relocated and are renting until they decide to buy, are waiting for a home to be built, or have economic reasons for renting rather than buying.

Exhibit III-33 compares the price distribution, by buyer income range, between attached and detached units sold between January and July 2007. For example, 63 percent of attached units sold were affordable to households earning between \$35,000 and \$50,000, compared to just 2 percent of detached units on the market. The exhibit demonstrates the stark difference in affordability by housing type. In interpreting the exhibit, it is important to remember that attached units made up just 15 percent of all of the units for sale during this period.

Exhibit III-33.
Percent of Units Affordable by Income Category
and Type, City of Glendale, January – July 2007



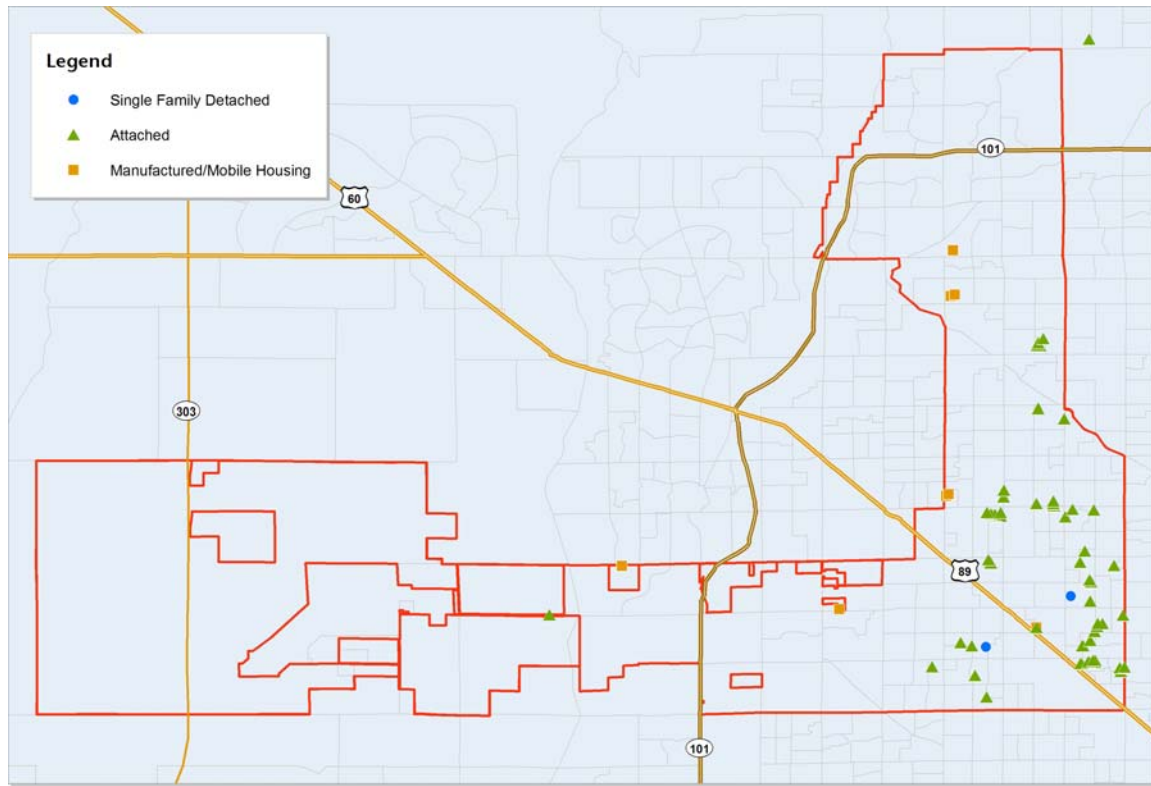
Source: BBC Research and Consulting and MLS Sales data provided by Bill Whetten.

Exhibits III-34 and III-35 show the location of homes affordable to the City's low- to moderate-income households, using HUD's definition. For purposes of these maps, the Phoenix MSA median household income of \$52,008, as reported by Claritas, was used to determine affordability. This median household income was used because it is more reflective of incomes for all households when compared to HUD's median family income. Low-income households are defined as those earning \$42,000 and less (80 percent of area median income or AMI). Moderate-income households earn \$62,000 and less (120 percent of AMI).

Exhibit III-34.

Location Homes Sold That Are Affordable to Households

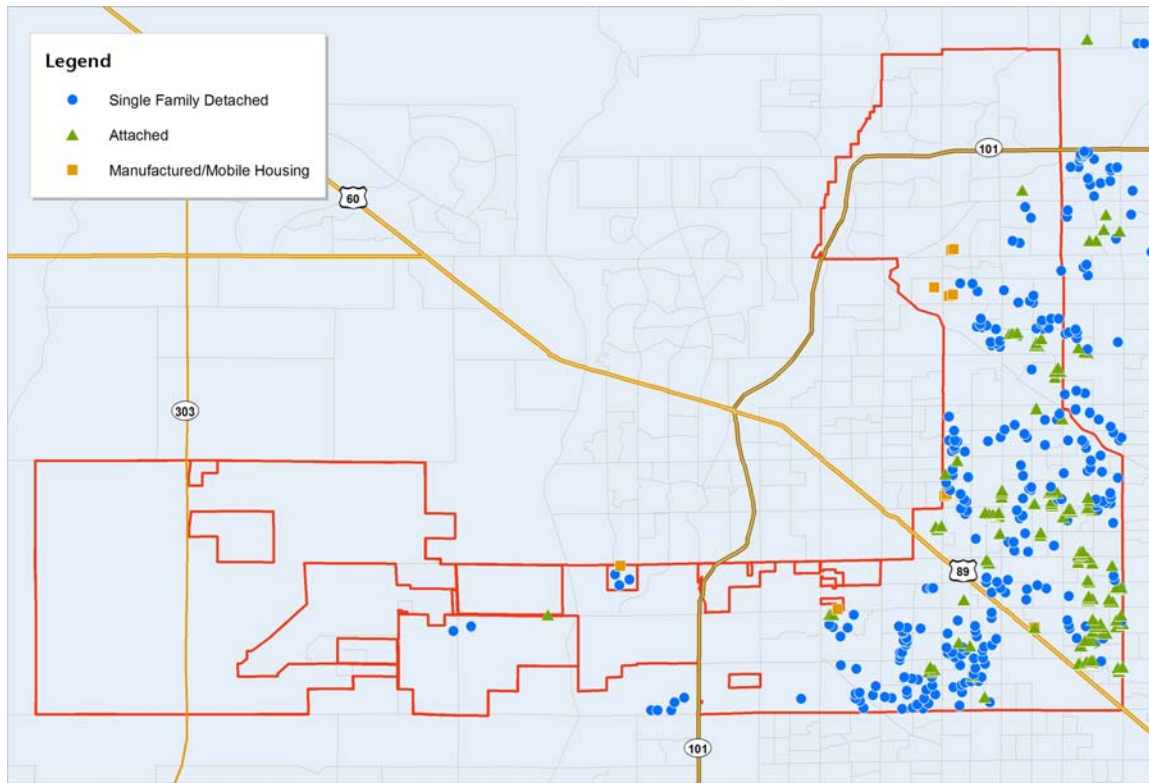
Earning \$42,000 (Sale Price Was \$141,000 or Lower), January – July 14, 2007



Note: Attached homes include patio homes, townhouses, apartment style condos and Gemini/twin homes.

Source: BBC Research and Consulting and MLS Sales data provided by Bill Whetten.

The best option for homeownership for households earning \$42,000 and less is attached housing, followed by manufactured/mobile housing. Affordable units are largely located in the southeast portion of the City. These affordable units represent about 7 percent of units on the market during the first half of 2007.

Exhibit III-35.**Location of Homes Sold That Are Affordable to Households****Earning \$62,000 (Sale Price was \$217,000 or Lower), January – July 14, 2007**

Note: Attached homes include patio homes, townhouses, apartment style condos and Gemini/twin homes.

Source: BBC Research and Consulting and MLS Sales data provided by Bill Whetten.

Households earning \$62,000 and less (120 percent of AMI) have many more homes to choose from than lower-income households. Once households exceed the \$50,000 income threshold, there are many more units available to buy. In fact, there are more houses for sale for households earning between \$50,000 and \$62,000 than for households earning less than \$50,000.

Maintaining homeownership. Exhibit III-36 shows how the existing owner population in the City of Glendale matches up with prices of all units in the owner-occupied housing market. Negative numbers (in parentheses) indicate a shortage of units at the specific income level; positive numbers indicate an excess of units. This analysis examines how easily current owners could move within Glendale. In markets with rapid appreciation, some owners find themselves in a situation where they “could not afford to buy the house they are living in.” Although this usually means owners have built equity, it can also mean that it is cost-prohibitive for current owners to move within a market.

In general, unless homeowners earn \$50,000 or more (or, if they are lower income, have substantial equity in their current home), finding a replacement home in Glendale is challenging.

Exhibit III-36.
Homeownership Gap, 2006

Income Range	Owners		Maximum Affordable Home Price	Owner-Occupied Units		Homeownership Gap
	Number	Percent		Number	Percent	
\$0-\$9,999	1,275	2%	\$29,258	0	0%	(1,275)
\$10,000-\$14,999	1,544	3%	\$47,547	31	0%	(1,513)
\$15,000-\$19,999	1,628	3%	\$65,835	62	0%	(1,566)
\$20,000-\$24,999	2,417	5%	\$84,124	218	0%	(2,199)
\$25,000-\$34,999	4,486	8%	\$117,043	1,213	2%	(3,273)
\$35,000-\$49,999	7,666	14%	\$171,909	5,786	11%	(1,880)
\$50,000-\$74,999	12,124	23%	\$263,352	26,441	49%	14,317
\$75,000-\$99,999	8,570	16%	\$351,137	11,323	21%	2,753
\$100,000-\$149,999	8,679	16%	\$534,022	6,626	12%	(2,053)
\$150,000 or more	4,845	9%	\$534,026	2,333	4%	(2,512)
Total	53,235	100%		54,034	100%	

Source: BBC Research & Consulting.

How has affordability changed? In 2000, approximately 55 percent of the City’s renter households could afford to pay the median rent of \$612. Forty-four percent of renters could afford to purchase a median valued home of \$113,300.

In 2006, 52 percent of renters could afford the median rent—a very modest decline since 2000. In contrast, the ability of renters to afford to buy a home changed dramatically between 2000 and 2006: Only 18 percent of renters could afford to buy a median valued home in 2006, down from 44 percent in 2000.

Who are the households with unmet demand? The areas in the gaps, or mismatch, tables that show negative numbers indicate unmet demand in Glendale’s market. For example, there are 1,900 renter households earning less than \$10,000 per year that should be in rental housing priced less than \$200 per month, but are in more expensive housing because they cannot find rentals at this price point.

To better address the needs of the households with unmet demand for housing, it is important that the City understand the characteristics of the households with the greatest housing needs. Are they elderly? Do they have disabilities and, as such, are limited in their ability to work? Are they working poor? This section examines these questions for households earning less than \$20,000.

Elderly households. Of the households earning less than \$20,000 per year, 32 percent or 3,241 households, have a householder who is age 65 and older (“senior households”). About fourteen percent of the City’s households are senior households overall; therefore, senior households are disproportionately likely to earn less than \$20,000 per year.

Of the *renter* households in the City who live below the poverty line, 15 percent receive Social Security Income (SSI). Twenty-three percent of *owner* households living below the poverty level receive SSI. Receipt of Social Security Income can be used as a proxy for elderly status. Together, 17 percent of households living in poverty earn SSI. If earning SSI is a proxy for being elderly, we can assume that at least 17 percent of the households earning less than \$20,000—and 15 percent of renters and 23 percent of owners—with housing needs are elderly.

Slightly higher estimates can be calculated by comparing the number of elderly poor renters and owners to the number of households earning \$20,000 by tenure. By these measures, approximately 26 percent of elderly *renter* households and 20 percent of elderly *owner* households earning less than \$20,000 have housing needs.

Disability. Persons with disabilities are much more likely than persons without disabilities to live in poverty. In 2006, 22 percent of persons with a disability lived in poverty compared to 13 percent of persons without a disability.

According to the Census, about 28 percent of persons living under the poverty level in Glendale also have a disability. If this percentage holds true of the households with housing needs, we can assume that 28 percent of the households with housing needs have at least one member with a disability.

The majority of people with a disability and who earn less than poverty level do not work (79 percent).

Family type. Examining the family type of persons in poverty can provide clues to the family types of the persons with housing needs earning less than \$20,000. Of the households living below the poverty level, an estimated 72 percent are families (the rest are single people living alone or with unrelated persons such as roommates).

Of these families living in poverty, 74 percent are owners and 26 percent are renters. The majority (60 percent) of poor owners live in single, female-headed household arrangements. More than one-third are married couples. Most poor renters are married couples (50 percent), followed by single female-headed households (36 percent).

Employment status. Approximately 65 percent of the City's persons living below the poverty level without a disability do not participate in the labor force.

Summary of households characteristics. Putting this altogether, we can assume the following characteristics about persons with housing needs in Glendale:

- The gaps analysis showed that there are 10,200 renter households earning less than \$20,000 per year who cannot find rental housing in their price ranges. Of these households:
 - One-sixth to one-fourth are elderly, or between 975 and 1,600 households.
 - Twenty-eight percent, or 1,800, have a disability. These households might also be elderly. Most do not work.
 - Of the poor renters with housing needs, most live in family arrangements of married couples, followed by single, female-headed households. The poor owners with housing needs are mostly single, female-headed households, followed by married couples.
 - Sixty-five percent do not work and are not disabled.
- For the 4,400 owner households earning less than \$20,000 per year and with housing needs, approximately one-fifth are elderly. These individuals are likely living on fixed incomes and have difficulty making repairs to their homes. Many are also disabled and limited in their ability to work. By family type, these households are mostly single, female-headed. Sixty-five percent do not work and are not disabled.

Workforce Analysis

Prior sections in this chapter have analyzed affordability of rental housing and housing to buy across the income spectrum. This section more specifically addresses workforce housing in Glendale. “Workforce housing” is used to describe housing that is meant to serve workers in a community who cannot afford to rent or buy housing on the private market.

In general, workforce housing serves households earning between 80 and 120 percent of the area median income. In Glendale, this is equivalent to workers earning between \$42,000 and \$62,000 per year. Ideally, however, workforce housing should be priced to serve workers at all income levels.

Sometimes, this type of housing is restricted to households who have a work history in a community. For example, in some communities, to be eligible to rent or buy a workforce housing product, a worker must have worked in a community for at least 30 hours per week for 4 consecutive years.

Why workforce housing needs should be addressed. Providing workforce housing contributes to sustained economic health by: enabling employees to live close to employment and entertainment; supporting the local economy; and preserving their quality of life. Employees living close to their jobs ultimately reduce absenteeism, stress-related illnesses and eventual turnover, reducing long-term operating expenses. Downtown workforce living creates a demand for extended-evening retail hours and in-turn increases profits of local businesses. Workforce housing in the City reduces commute time and air pollution, while providing employers a competitive advantage in attracting, hiring and retaining qualified employees.

Most federal housing programs are limited to population groups earning less than 80 percent of median income. If workforce housing is to succeed, then homebuyers, developers, employers, mortgage finance companies, local and state government agencies and/or the local community must work together. Ironically, a high-cost community that avoids a growing workforce housing shortage will likely experience higher costs in transportation and infrastructure expansion, and other factors of declining community well being.

Glendale's workforce. The 2006 ACS produces estimates of average earnings by occupation. Using these estimates, we calculated the affordable rent and mortgage payment by occupation, then determined if workers of various occupations could afford to rent the median priced rental unit, or afford to buy the median valued home in Glendale.

Exhibit III-37 shows the results of this exercise. The Exhibit shows the affordability of both one- and two-earner households, assuming the second earner makes 70 percent of the wage of the first earner. The median rent used for this analysis is \$650. The median valued home is \$243,000.

Exhibit III-37.
Average Earnings by Occupation and Ability to Afford Housing, City of Glendale, 2006

One Earner Household	Mean Earnings	Affordable Monthly Rent or Mortgage Payment	Can Afford Median Rent?	Can Afford Median Value Home?
Management and professional occupations				
General business	\$53,298	\$1,332.45	Yes	No
Computer	\$64,721	\$1,618.03	Yes	No
Architecture and engineering	\$52,410	\$1,310.25	Yes	No
Community and social service	\$39,527	\$988.18	Yes	No
Legal	\$50,231	\$1,255.78	Yes	No
Health care	\$52,295	\$1,307.38	Yes	No
Education and training	\$30,072	\$751.80	Yes	No
Service and support occupations				
Healthcare support	\$21,666	\$541.65	No	No
Firefighting	\$48,753	\$1,219.00	Yes	No
Law enforcement	\$58,955	\$1,474.00	Yes	No
Food preparation	\$13,601	\$340.03	No	No
Janitorial/maintenance	\$16,098	\$402.45	No	No
Personal care	\$15,542	\$388.55	No	No
Sales and office occupations	\$26,013	\$650.33	No	No
Construction	\$30,855	\$771.38	Yes	No
Production and transportation	\$25,629	\$640.73	No	No

Notes: Assumes the earnings of the second worker are 70 percent of the first worker. Salary for firefighters is based on a 52/hr. week schedule.

Source: U.S. Census Bureau's American Community Survey, 2006 and BBC Research and Consulting.

Exhibit III-37. (continued)**Average Earnings by Occupation and Ability to Afford Housing, City of Glendale, 2006**

Two Earner Household	Mean Earnings	Affordable Monthly Rent or Mortgage Payment	Can Afford Median Rent?	Can Afford Median Value Home?
Management and professional occupations				
General business	\$90,607	\$2,265	Yes	Yes
Computer	\$110,026	\$2,751	Yes	Yes
Architecture and engineering	\$89,097	\$2,227	Yes	Yes
Community and social service	\$67,196	\$1,680	Yes	Yes
Legal	\$85,393	\$2,135	Yes	Yes
Health care	\$88,902	\$2,223	Yes	Yes
Education and training	\$51,122	\$1,278	Yes	No
Service and support occupations				
Healthcare support	\$36,832	\$921	Yes	No
Firefighting	\$82,880	\$2,072	Yes	Yes
Law enforcement	\$100,224	\$2,506	Yes	Yes
Food preparation	\$23,122	\$578	No	No
Janitorial/maintenance	\$27,367	\$684	Yes	No
Personal care	\$26,421	\$661	Yes	No
Sales and office occupations	\$44,222	\$1,106	Yes	No
Construction	\$52,454	\$1,311	Yes	No
Production and transportation	\$43,569	\$1,089	Yes	No

Notes: Assumes the earnings of the second worker are 70 percent of the first worker. Salary for firefighters is based on a 52/hr. week schedule.

Source: U.S. Census Bureau's American Community Survey, 2006 and BBC Research and Consulting.

The analysis shows that, except for workers in managerial and professional positions, as well as public safety positions, it is challenging for most workers to afford the median priced rental unit. In addition, for workers earning the average salary in every profession listed, it is not possible to buy the median valued home. Even with two earners, workers in service and support occupations, sales, construction, production, and transportation cannot afford to buy the median valued unit. In Glendale, where the top industries (after the air force base) include retail, health care, government, education and manufacturing, the data are particularly sobering.

Out of Reach study. Another comparison of wage rates and housing cost is located in the “Out of Reach” report, produced annually by the National Low Income Coalition. This report examines rental housing affordability for states, counties and key metropolitan areas. The study determines how many hours a week a worker earning the minimum wage would need to work to afford median priced rental units. The study also examines affordability for individuals whose sole source of income is Supplemental Security Income (SSI).

In 2006, the Out of Reach report examined affordability in Maricopa County. The study found that a worker in the County would need to earn \$12.46 per hour to afford to rent a one-bedroom apartment, and \$15.04 per hour to afford to rent a two-bedroom apartment. These hourly rates are 240 to 300 percent of the current minimum wage. To afford a one-bedroom apartment, a worker earning minimum wage would have to work 97 hours per week; to afford a two-bedroom apartment, a worker earning minimum wage would have to work 117 hours per week.

An examination of the average wage of renters in the County produced more optimistic results. Workers earning the average wage of renters would need to work 39 hours per week to rent a one-bedroom units, and 47 hours per week to rent a two-bedroom unit.

SECTION IV.
Profile of Assisted Housing

SECTION IV.

Profile of Assisted Housing

This section discusses the availability and location of assisted housing in the City of Glendale. For the purposes of this section, “assisted housing” is defined as housing that is affordable to very low-income households, generally earning less than 60 percent of the median family income (i.e., \$30,050 and less for Glendale). Assisted housing also relies on subsidies from federal, state and/or local sources to achieve the prices necessary to be affordable to qualifying households.

In Glendale, assisted housing for low-income populations is provided by both public and nonprofit organizations. The type of assistance varies from units owned by the City’s housing authority to those provided under federal programs such as Section 8 vouchers or developments for low-income elderly.

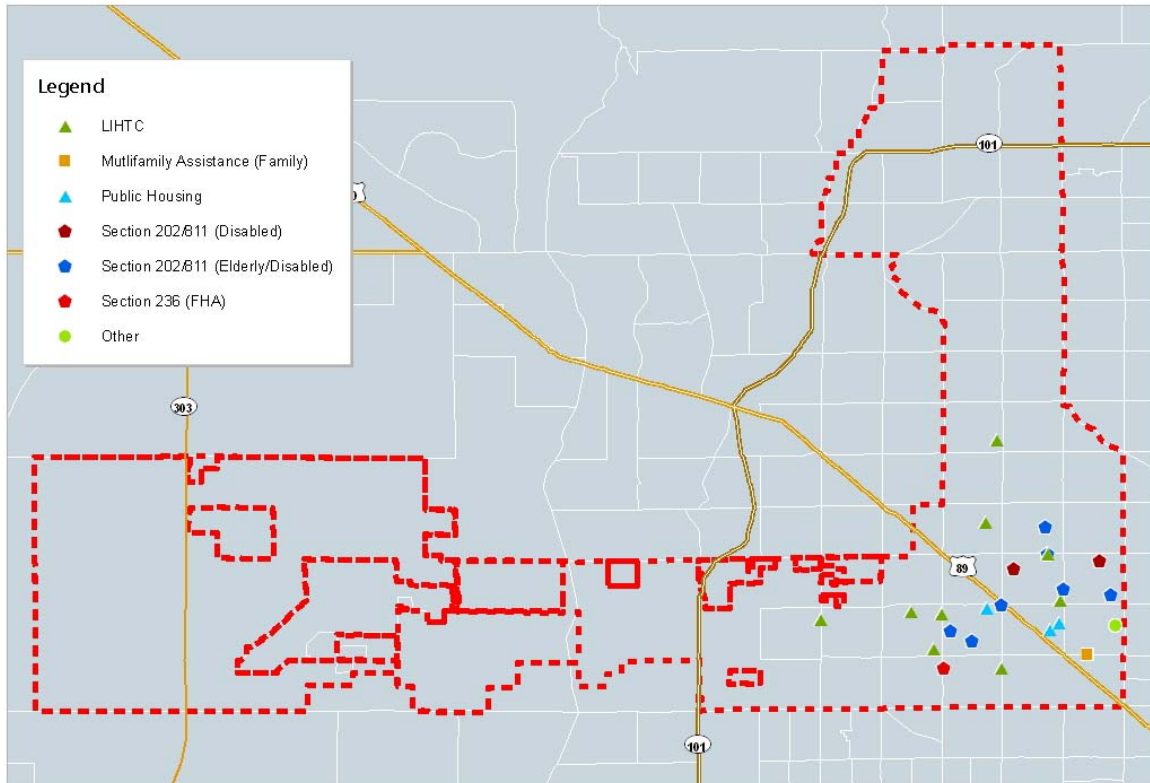
Types of Assisted Housing Units

Approximately 4,000 households in Glendale live in housing units where either a subsidy was used to construct the project or the household’s rent is directly subsidized. These households all live in rental housing, in a variety of housing arrangements. The primary programs that provide assisted housing include the following:

- **Low Income Housing Tax Credit units**—The Low Income Housing Tax Credit (LIHTC) program is a federally-funded program that provides tax credits to investors in affordable rental housing developments. These rental developments typically serve a mix of households earning less than 60 percent of the MFI (\$30,050 and less in Glendale). The City’s tax credit developments range in size from 60 units to 346 units.
- **Public Housing Authority units**—These rental units located in medium-sized complexes are owned and managed by the local public housing authority. They are deeply subsidized units, typically offering rents low enough to serve households earning less than \$10,000 per year. In most cities, public housing authority units offer some of the lowest cost rental housing available.
- **Section 202/811 developments**—The Section 202 rental unit developments serve persons who are elderly and/or disabled; Section 811 developments serve persons with disabilities. These types of developments are generally smaller than other types of rental complexes and offer some supportive services to their tenants. Section 202 and 811 are federal programs, where funding is provided for construction and sometimes operations.
- **Section 8 vouchers**—As the largest program of assisted housing in Glendale, the Section 8 voucher program assists households directly with the cost of their rent. Households rent private market units throughout the City and are provided with assistance to pay their rent, the level of which is determined by their income. Households with “portable” vouchers obtained their assistance in another city but were able to find the housing they wanted in Glendale.

Location. The following exhibit shows the location of the subsidized housing units located in Glendale. The subsidized housing units are generally located in the southeastern portion of City. The map does not include the location of Section 8 Housing Choice Voucher holders, who are able to live anywhere in the City where they can find an affordable unit.

Exhibit IV-1.
Location of Subsidized Housing Units, City of Glendale



Source: U.S. Department of Housing and Urban Development and City of Glendale.

Impact on affordability. The gaps analysis in Section III identified a shortage of deeply subsidized rental housing of 6,500 units in Glendale. Exhibit IV-2 shows how the City's lowest income renters would be affected if the assisted housing units were not available. The gap in available units for renter households earning less than \$20,000 per year would increase to almost 10,200 units.

**Exhibit IV-2.
Rental Gap Analysis, 2006**

Income Range	Renters		Maximum Affordable Rents + Utilities	Total Units	Rental Gap
	Number	Percent			
\$0-\$9,999	4,057	13%	\$200	0	(4,057)
\$10,000-\$14,999	4,612	15%	\$325	0	(4,612)
\$15,000-\$19,999	1,526	5%	\$450	0	(1,526)
\$20,000-\$24,999	2,739	9%	\$575	8,496	5,757
\$25,000-\$34,999	4,432	14%	\$800	10,288	5,856
\$35,000-\$49,999	7,055	23%	\$1,175	9,764	2,709
\$50,000-\$74,999	3,695	12%	\$1,800	4,792	1,097
\$75,000-\$99,999	1,993	6%	\$2,400	1,651	(342)
\$100,000-\$149,999	709	2%	\$3,650	0	(709)
\$150,000 or more	377	1%	\$3,650	0	(377)
Total	31,194	100%		34,991	

Source: BBC Research & Consulting.

Summary of assisted housing. Exhibit IV-3 summarizes the units by type of funding used to develop the assisted housing.

**Exhibit IV-3.
Assisted Housing Units, City of Glendale**

	Target Population	Number of Units
Low Income Housing Tax Credits		
Galleria II Apartments		98
Lifestyles		109
Prospect Park Apartments		16
San Martin Apartments		346
San Remo Apartments		248
The Palms at Glendale		160
Town Square		60
Villas Solanas		162
Multifamily Assistance		
Bethany Glen Apartments	Family	150
Public Housing		
Cholla Vista	Family	34
Glendale Homes	Family	70
Lamar Homes	Family	51
Section 202/811		
Casa Bill Soltero		61
Glencroft Towers	Elderly/Disabled	102
Good Shepherd Homes of the AZ West	Elderly/Disabled	50
Kachina Place	Elderly/Disabled	39
Manistee Manor	Elderly/Disabled	75
Saint John's Manor	Elderly/Disabled	42
Tanner Terrace Apartments	Elderly/Disabled	155
Valley of the Sun School 2	Disabled	20
Valley of the Sun School 5	Disabled	11
Vista Alegre	Elderly/Disabled	59
Waymark Gardens	Elderly/Disabled	150
Section 236 (FHA)		
Maridale Villa		98
Other		
Desert Eagle		194
Maryland West Apartments		100
Section 8 Housing Choice Vouchers		
Glendale Vouchers		990
In-coming Portable Voucher holders from other jurisdictions living in Glendale		<u>462</u>
Total		4,112

Source: U.S. Department of Housing and Urban Development and City of Glendale.

Glendale Public Housing Authority

The Community Housing Division (CHD) of the City of Glendale operates as the Federal Housing Authority for the City. The CHD is responsible for addressing the rental housing needs of Glendale residents who cannot afford housing in the private market. Through the administration of the federal Section 8 Housing Choice Voucher and Conventional Public Housing programs, the division helps eligible residents secure safe, decent, and sanitary housing.

- **The Conventional Public Housing Program** includes three City-owned rental communities, which are operated by the division. Altogether, there are 155 units within these communities, and eligible residents can rent available units at a rate not to exceed 30 percent of their adjusted monthly income.
- **The Section 8 Housing Choice Voucher Program** provides participants with vouchers to secure privately-owned rental housing. The program is designed to provide subsidized individuals and families with the same rental housing choices as non-subsidized renters. At the time of this study, 1,452 households in Glendale were assisted with their rents through the Section 8 voucher program. According to the Housing Authority, a growing number of requests for Section 8 vouchers are coming from “near elderly” residents in Glendale.
- **Section 8 homeownership.** Glendale’s public housing authority offers current Section 8 voucher holders the opportunity to purchase a home using their vouchers. The program has limited success, however, because residents are unable to find units they can afford once they graduate from the required homeownership counseling.

Conventional Public Housing Program. The public housing authority owns three public housing complexes in Glendale: Lamar Homes, Glendale Homes and Cholla Vista. As of June 30, 2007, public housing units totaled 155 in Glendale—Glendale's public housing complexes are designated for families. However, they do have a local preference system for elderly/disabled applicants which give them extra points when placed on the waiting list.

The following is a complete list of preferences established by HUD and the City of Glendale:

- Glendale residents;
- People working or hired to work within the city limits;
- Applicants 62 years or older or receiving Social Security Disability, Supplemental Security Disability or any payments based on inability to work will be given the benefit of the working preference. For purposes of qualifying for low-income housing, any family member who is disabled will qualify the family under this category.
- Glendale residents displaced by government action or disaster; and
- Applicants who are active military personnel will be given 10 points for the working preference.

The public housing units had a vacancy rate of 2 percent (3 vacant units) as of June 30, 2007. Of the occupied units, 90 percent of the households earned an annual income less than 30 percent of the MFI and the remaining 10 percent earned less than 50 percent of the MFI.

Just over three-quarters of the households living in the public housing complexes were White and 21 percent were Black or African American. Fifty-nine percent of the households living in the three public housing complexes were of Hispanic ethnicity.

As of June 2007, 1,392 persons were on the waiting list for public housing authority units.

The Conventional Public Housing Program also offers two additional programs to the public housing residents: the Tenant Advisory Committee and the Resident Opportunities for Self-Sufficiency (ROSS) program. The Tenant Advisory Committee (TAC) is made up of public housing rental community residents who are elected by the community-at-large. The role of the TAC is to improve the quality of life and resident satisfaction and participate in self-help initiatives to enable residents to create a positive living environment for families living in public housing.

CHD was awarded federal funding for a ROSS program onsite for public housing residents. The purpose of this program is to guide residents to become self-sufficient and independent from assistance programs. Onsite service providers assist residents to find and build partnerships with local agencies that provide various training, educational, financial and career development programs designed to help those to help themselves. The grant will run through 2008.

Exhibit IV-4 provides summary data on the rent levels for public housing authority units and the income ranges of voucher holders.

Exhibit IV-4.
Public Housing and Section 8 Voucher Holders Rent by Bedroom Size and Incomes,
November 2007

	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Total Units
Lamar Homes - Family Complex:					
Number of Units	5	31	13	4	51
Average Rent	\$91	\$171	\$183	\$240	
Glendale Homes - Family Complex:					
Number of Units	6	36	20	8	70
Average Rent	\$201	\$180	\$248	\$209	
Cholla Vista -Family Complex:					
Number of Units	6	16	9	3	34
Average Rent	\$150	\$209	\$253	\$121	
Total Public Housing Units	17	83	42	15	155
Section 8 Housing Choice Vouchers					
Number of Glendale Voucher holders	307	345	265	73	990
Average Income	\$9,520	\$11,386	\$13,885	\$15,501	
Number of In-coming Portable Voucher holders from other jurisdictions living in Glendale	90	143	162	67	462
Average Income	\$5,139	\$6,205	\$9,270	\$10,633	

Source: City of Glendale's Community Housing Division.

A few years ago, the City completed a needs assessment of residents in public housing units. The following is a general profile of residents:

- 68 percent received public assistance (TANF and/or SSI);
- 68 percent were unemployed, 13 percent had full-time jobs¹;
- 69 percent were single female heads of households; and
- 72 percent had children.

The survey also identified six priority needs of the residents:

Conventional barriers. Childcare and transportation were identified as major needs for the population in public housing. Moreover, many residents did not know how to access existing childcare assistance programs through the Welfare to Work (WtW) initiative. Transportation is a significant problem for those who do not qualify under WtW. Most public transportation is limited and requires some financial means. Eighty-two percent of residents identified childcare as a priority and 61 percent identified transportation as a need.

Education and language. Fifty-two percent of residents had not received a high school diploma; 32 percent completed 8th grade or lower; and 30 percent had completed some high school. In addition to English barriers, many residents are not literate in their primary language (Spanish). This impacts 20 percent of public housing residents.

Lack of drive/desire for self-sufficiency. Many residents have developed a dependency on public assistance and therefore lack concern for activities and training to become self-sufficient. Less than 25 percent of residents participate in self-sufficiency development.

Life skills development and job retention. It is imperative for individuals to learn life skills, which will help with employment retention. Residents must learn about cultural diversity, conflict resolution, responsibility, independence, health consciousness, behavioral health and survival skills. The following five issues commonly affect job retention: lack of client preparedness for the working world, inability to handle rules and regulations, client not meeting expectations, mismatch between client skills and job requirements and client not adjusting to social structure of employment.

Employment development. Aside from the basics of resume writing and interviewing skills, residents need long-term goals to achieve self-sufficiency.

Specific job skills development technology. Vocational programs should focus on technology training, which can be a powerful tool to addresses barriers through distance learning and telecommunications opportunities.

Section 8 Housing Choice Voucher program. As of November 2007, the housing authority had 990 Section 8 voucher holders and 462 in-coming Portable Voucher holders from other jurisdictions living in Glendale, for a total of 1,452 voucher holders living in Glendale.

¹ This is consistent with the percentage of persons living in poverty citywide who do not participate in the workforce.

The authority classifies the voucher holders as either elderly, working households or “other” (those receiving child support and TANF). On average, 53 percent of voucher holders were elderly, 38 percent were working households and 9 percent were classified as “other.”

Just over one fourth of the voucher holders live in 1 bedroom units while 63 percent live in 2 or 3 bedroom units. The remaining 10 percent live in 4 bedroom units.

As of August 2007, there were 1,001 households on the waiting list for Section 8 Vouchers.

Low Income Housing Tax Credits

The Low Income Housing Tax Credit (LIHTC) program provides a developer with federal tax credits to build or rehabilitate housing for low-income persons.

According to HUD and the City of Glendale, there are a total of 9 LIHTC developments in the City, as of August 2007. Approximately, 87 percent of total units in these developments are dedicated to low-income households. The majority of these units are two- and three-bedrooms.

Expiring Use Units

In the past, very low-income renters have largely been served through federal housing subsidies, many of which are scheduled to expire in coming years. The units that were developed with federal government subsidies are referred to as “expiring use” properties. Specifically, expiring use properties are multifamily units that were built with U.S. government subsidies, including interest rate subsidies (HUD Section 221(d)(3) and Section 236 programs), mortgage insurance programs (Section 221(d)(4)) and long-term Section 8 contracts. These programs offered developers and owners subsidies in exchange for the provision of low-income housing (e.g., a cap on rents of 30 percent of tenants’ income). Many of these projects were financed with 40-year mortgages, although owners were given the opportunity to prepay their mortgages and discontinue the rent caps after 20 years. The Section 8 project-based rental assistance contracts had a 20-year term.

Many of these contracts are now expiring, and some owners are taking advantage of their ability to refinance at low interest rates and obtain market rents. When expiring use units convert to market properties, local public housing authorities issue Section 8 vouchers to residents of the properties that are converting to market rates. In some cases, market rents may be lower than subsidized rents, which could enable residents to stay in their current units. Vouchers may also give residents an opportunity to relocate to a neighborhood that better meets their preferences and needs. The outcomes of expiring use conversions are hard to determine because of the many variables (location, level of subsidized rents, tenant preferences) that influence tenants’ situations. Nonetheless, the loss of the affordable rental units provided by expiring use properties could put additional pressure on the City’s affordable rental market.

According to the HUD Multifamily Assistance and Section 8 Contracts Database (current as of November 11, 2007), 396 affordable housing units in the City are at risk of converting to market rate units from 2008 to 2010. These “expiring use” units represent 1 percent of the City’s total rental units.

Housing to Serve Special Needs Populations

Section 202 is a HUD program that provides financing to private organizations and nonprofits to build affordable housing for the elderly (62 years and over). In addition to affordable housing, Section 202 requires that supportive services, such as cleaning, cooking and transportation, be available to the elderly. Glendale has eight complexes that were developed using Section 202, consisting of 733 housing units.

HUD's Section 811 Supportive Housing for Persons with Disabilities program provides funding to nonprofit organizations to develop rental housing with the availability of supportive services for very low-income adults with disabilities, and provides rent subsidies for the projects to help make them affordable. The Section 811 program allows persons with disabilities to live as independently as possible in the community by increasing the supply of rental housing with the availability of supportive services. The program also provides project rental assistance, which covers the difference between the HUD-approved operating costs of the project and the tenants' contribution toward rent. The program is similar to Supportive Housing for the Elderly (Section 202).

Glendale has two Section 811 complexes, located on West Belmont Avenue and West Haywood, and provides 31 units for persons with disabilities as well.

SECTION V.

Best Practices and Recommendations

SECTION V.

Best Practices and Recommendations

This section contains the results of research into best practices employed in other communities to address housing needs. It begins by summarizing the top housing needs in the City of Glendale (City), then moves to discussing the programs the City currently has in place to address its housing needs. This is followed by recommendations for how Glendale should modify or add programs to better meet its existing and future housing needs. The section concludes with case studies of best practices in other communities.

Top Needs

As identified in Section III, Glendale's top housing needs include the following:

- **Affordable homes for renters to buy.** It is extremely difficult for renters earning less than \$50,000 per year to buy a home in Glendale. Renters earning less than \$35,000—more than half of the City's renter population—could afford to buy just 2 percent of homes for sale in 2007. For renters earning between \$35,000 and \$50,000 per year, just 13 percent of homes for sale in the first half of 2007 were affordable to them.
 - The City's for sale market has become much less affordable during the past 6 years: Only 14 percent of renters could afford to buy the median valued home in 2006, down from *44 percent* in 2000.
 - Eighty-one percent of the houses that are for sale and affordable to households earning less than \$50,000 are attached homes (patios, townhomes, twin homes). Yet these homes make up a very small proportion of the for sale market: 86 percent of homes for sale in Glendale between 2000 and 2007 were single family detached. The dominance of detached, single family homes in the Glendale market impacts the lack of affordability.
 - An analysis of workforce affordability showed that except for workers in managerial and professional positions, it is challenging for most workers to afford the median priced rental unit. And, for workers earning the average salary in most professions in Glendale, it is not possible to buy the median valued home. Even with two earners, workers in service and support occupations, sales, construction and production, as well as transportation jobs, cannot afford to buy the median value unit. In Glendale, where the top industries (after the air force base) include retail, health care, government, education and manufacturing, the data are particularly sobering.
- **Affordable rents for very low-income renters.** In contrast to the for sale market, the rental market has been relatively flat during the past 6 years. In 2006, 52 percent of renters could afford the median rent, down slightly from 55 percent in 2000. However, many renters still have difficulty finding rental units they can afford. There are currently 6,500 too few units to serve renters earning less than \$20,000 per year. These renters are almost entirely served by the City's subsidized housing developments and the Section 8 voucher program. If these programs did not exist, the gap between affordable rentals and the very low-income households who need them would increase to 10,200 units.

Funding for Programs

In addition to investing local dollars, the City of Glendale receives funds from the federal government, state government and Maricopa County for programs that address housing needs. These funding sources are included in the following text.

Federal Funds

- **Community Development Block Grant (CDBG).** The City receives about \$2.2 million in CDBG dollars each year from the U.S. Department of Housing & Urban Development (HUD) to fund community development and housing activities. A portion of CDBG funds can be allocated to nonprofit organizations in the housing and social services fields for operating support.
- **Home Investment Partnerships Program (HOME).** The City receives HOME allocations from the Maricopa County HOME Consortium. The amount varies depending upon needs in Glendale relative to other cities within the Consortium. In 2007-2008, the City received \$677,000 in HOME dollars for affordable housing activities. HOME is a federal program, administered by HUD.
- **American Dream Downpayment Initiative (ADDI).** The City receives a small annual allocation (\$18,000 in 2007-2008) from this federal program through the Maricopa County HOME Consortium for homeownership activities.
- **Emergency Shelter Grant Program (ESG).** Another federal program administered by HUD, the ESG program provides assistance to homeless housing and service providers for homeless prevention activities and operating dollars. The City receives approximately \$98,000 in ESG funding annually.
- **Low Rent Public Housing.** The City's Community Housing Services Division receives about \$350,000 each year from HUD to provide deeply subsidized rental housing (i.e., public housing units) to the City's very low-income households.
- **Section 8 Vouchers.** The federal government funds the Section 8 program, which is administered by the City's Community Housing Services Division. The amount Glendale receives depends on the number of voucher holders and the federal budget, but is generally around \$7 million annually.
- **PHA Capital Fund Program.** This federal program provides funding for the modernization and rehabilitation of public housing units. The City's Community Services Division received \$150,000 from the program in 2007-2008.

State funds. The State administers the Low-Income Home Energy Assistance Program (LIHEAP), which assists homeowners with water bills, deposits and replacement of evaporative coolers (swamp coolers). The Glendale Community Action Program administers the City's allocation, which was \$5,588,000 in 2007-2008.

City funds. Annually, the City allocates a portion of General Fund monies to housing and community development activities. In 2007-2008, City Department funds will support public housing, code enforcement, housing revitalization and neighborhood services at a cost of about \$3.4 million.

Glendale's Current Programs

The resources described above are used for a variety of housing programs. This section details how the funds were used in the most recent year (2007-2008). It also provides information about the target households for the programs by income, special need and tenure (renter/owners).

Housing rehabilitation programs. Glendale has several rehabilitation programs, which are funded by CDBG and HOME. The rehab programs mostly target lower-income homeowners. In 2007-2008, a little more than \$1 million of CDBG funding was allocated to rehabilitation programs. In addition, \$340,000 of HOME funding was allocated to a program to assist homeowners obtain replacement housing when their housing is in such poor condition it cannot be rehabilitated.

The City's rehabilitation programs are summarized in Exhibit V-1.

Exhibit V-1. Rehabilitation Programs, City of Glendale

	Tenure	Income and/or Special Need	Number of Households Assisted
Residential Rehabilitation	Owners	80% of MFI and less (< \$47,000)	8
Roof Repair/Replacement	Owners	60% of MFI and less (< \$35,000)	28
Exterior Rehabilitation	Owners	60% of MFI and less (< \$35,000)	23
Lead-Based Paint Hazard Reduction	Owners	80% of MFI and less (< \$47,000)	32
Temporary Relocation	Owners	80% of MFI and less (< \$47,000)	7
Home Accessibility	Both	Physical disability	24
Emergency Home Repairs	Both		226
Replacement Housing	Owners	80% of MFI and less (< \$47,000)	8

Note: The MFI used is that provided by HUD, which covers the Phoenix metropolitan area. In 2007, the MFI was \$59,100.

Source: City of Glendale and BBC Research & Consulting.

Public facilities improvements. In 2007-2008, the City plans to allocate \$540,000 of CDBG dollars to construction and upgrades of public facilities and residential units. This funding will provide for a new clubhouse for the Boys & Girls Club, shelter facility upgrades for the Central Arizona Shelters Services (serving homeless individuals), remodeling for public housing units, improvements to a community center and lighting upgrades for subsidized rental units occupied by elderly and/or disabled tenants.

Public services grants. Annually, Glendale provides between \$10,000 and \$50,000 to nonprofit organizations serving low-income and special needs residents (victims of domestic violence, persons who are homeless, seniors, at-risk youth, or persons with disabilities). In 2007-2008, about \$340,000 will be allocated to public services grants.

Demolition. The City dedicates a small portion (\$52,000) of CDBG monies, to fund voluntary demolition programs which remove vacant, substandard commercial and residential buildings, for replacement with future development that will benefit low- to moderate-income families.

Homeownership. In 2007-2008, the balance of the City's HOME grant will be used for land acquisition, site preparation and the construction of affordable single family housing. In addition, the ADDI program will provide a small amount of downpayment assistance (up to \$10,000) to first-time homebuyers.

Homeless prevention and services. The City uses ESG to fund homeless prevention programs that provide rent and mortgage assistance to low-income and/or disabled households in Glendale. ESG funding is also used to assist shelters with the cost of operations.

Program summary. Exhibit V-2 summarizes the funding allocation the City proposes for the federal block grants it will receive in 2007-2008. About half of the funding will be used for home rehabilitation programs, followed by public facilities (19 percent), public services (12 percent) and then land acquisition for affordable housing (11 percent). Most of these funds assist homeowners and special needs populations. It should be noted that very low-income renters receive assistance through the public housing and Section 8 voucher programs (around \$7 million total in funds) that is not included in the Exhibit.

Exhibit V-2.
Summary of Funding, City of Glendale
Housing and Community Development Programs, 2007-2008

	Dollar Amount	Percent
Housing rehabilitation and replacement housing	\$ 1,425,000	51%
Public facilities	\$ 540,000	19%
Public services	\$ 341,000	12%
Land acquisition for affordable housing	\$ 300,000	11%
Homeless prevention and services	\$ 98,000	4%
Voluntary demolition	\$ 52,000	2%
Downpayment assistance	\$ 18,000	1%
Total	\$ 2,774,000	

Source: City of Glendale Action Plan 2007-2008.

Recommendations

This section contains recommendations for how the City of Glendale might better meet its existing and future housing needs.

Homeownership activities. The City's activities to increase homeownership are modest, and generally consist of providing funding to nonprofits to create low-cost homeownership housing and providing downpayment assistance. Through these programs, the City is able to assist about 20 households achieve homeownership annually.

The State's homebuyer assistance programs are limited in urban counties like Maricopa. Therefore, homeowners who want to buy in Glendale have very limited options unless they earn more than \$50,000 per year.

To ensure the City has the housing needed to attract future workforce, we recommend that the City take actions to increase the affordability of its for sale housing during the next 5 years. Specifically, the City needs to increase the number of units available for purchase between approximately \$120,000 and \$170,000. These units would target households earning between \$35,000 and \$50,000 per year. During the first half of 2007, only 13 percent of units for sale in Glendale were affordable to these households.

Incentivize developers. The City has many options to incentivize developers to produce more affordable homes for workers to purchase:

- ***Negotiated developments***—The City should articulate a preference for having new construction contain workforce housing units. This can easily be done through the development application process and in the materials the City uses to describe the process (e.g., zoning and variance brochures).

Mixed-income developments would accomplish two housing goals: 1) More of the City's workers would be able to buy in the City, and 2) Workforce housing would be better distributed throughout the City. The City should request that developers integrate workforce units into their subdivisions, particularly housing units priced between \$120,000 and \$170,000. In exchange for developing workforce housing, the City should offer developers fee waivers, density bonuses, building variances and an expedited review process, as described below.

- ***Fee waivers***—Developers that include some portion of for sale housing priced between \$120,000 and \$170,000 as part of their master planned or infill developments should be offered impact fee waivers for the affordable units it may construct. The waivers should be tied to the level of affordability of the units, with the most affordable units receiving the full amount of the fee waived.
- ***Density bonuses***—Developers who build mixed-income communities with workforce housing should be granted increased density (smaller lots) for the affordable units they may construct, to lower the price of the units through reduced land costs per unit.
- ***Expedited review***—Fast-track review and approval for developments that contain an affordable component can be key in making housing more attainable to workforce. Research has shown that every month of delay in the approval process adds between 1 and 2 percent to the final price of a home. An expedited review process can encompass a number of time-saving activities, including the following:
 - Clearly specified timeframes for review/guaranteed maximum review period;
 - Pre-application conferences;
 - Simultaneous reviews of different steps of the application process, where feasible; and
 - Reduced requirements for public hearings.

Create opportunities for workforce housing. In addition, the City should explore the following activities to create more opportunities for workforce housing development:

- **Support infill development**— Glendale has done an excellent job identifying vacant infill parcels with redevelopment potential. The City currently offers fee waivers for infill projects. Many of the City’s vacant residential parcels are good sized (between 1 and 5 acres), and could accommodate some small, mixed-income and mixed-use redevelopment projects. Such projects would produce needed workforce housing and be catalysts in revitalizing areas.

The next step would be for the City to evaluate these parcels for their development potential, examining their highest and best use in the context of incorporating workforce housing. After the City has developed a vision for key parcels, the City should engage developers in a discussion about redevelopment incorporating workforce housing, perhaps through a focus group or charrette.

- **Land donation and banking**—The City should identify publicly-owned vacant and underutilized parcels of land that it could donate to developers in exchange for significant development of workforce housing. Part of this housing could be reserved for City employees and teachers.

The City should also explore acquiring land parcels that would be prime for mixed-income housing and workforce housing development, which it could “bank” for future development of workforce housing.

- **Acquisition/rehab program**—Glendale should consider establishing an acquisition and rehabilitation program that could be funded with a combination of HOME dollars, CDBG and general fund monies. This program would provide funding for nonprofit and private developers to acquire vacant and blighted housing, redevelop the properties and then sell them at a price affordable to the City’s workforce.
- **Land trust program**—The City’s public housing authority offers qualifying residents who are enrolled in the Family Self Sufficiency (FSS) Program an opportunity to purchase a home using Section 8 vouchers. This program has been limited in its success because of the lack of housing to buy in Glendale. Once families graduate from the program and save enough money for downpayment assistance, they can’t find homes to buy in their price range.

The City should consider partnering with Newtown Community Development Corporation in Tempe, Arizona to develop a land trust model to serve FSS graduates and other low-income renters who want to become owners but cannot find affordable homes to buy. Under the land trust model, buyers purchase the homes but not the land, and then lease the land at an affordable rate. The land lease concept helps maintain affordability by controlling the cost of land, which is the primary component of price appreciation.

Rental activities. Through its various subsidized housing programs, the City provides 3,700 extremely low- and very low-income renters with rental housing that is affordable to them. Despite this, there are as many as 6,500 renters earning less than \$20,000 per year who are paying more for their rent than what they can afford.

There are very few programs that assist renters needing very deep subsidies. The City's public housing authority, through the rental housing it provides and the Section 8 vouchers it administers, is the largest provider of assisted housing to renters earning less than \$20,000.

The federal low-income housing tax credit (LIHTC) program provides tax incentives for the development of affordable rental housing. Tax credit properties usually target renters earning between 40 and 60 percent of the median family income. This is equivalent to about \$24,000 to \$35,000 in Glendale. As such, the tax credit program is serving a population that is slightly different from those who have been identified as having the greatest needs (earning \$20,000 and less). A survey of LIHTC properties that we conducted for this study found that the rents offered by the tax credit properties were in the \$575 to \$800 per month range—much higher than the \$450 maximum per month needed by households earning less than \$20,000 per year.

Although the tax credit program serves a market niche¹, rents are not low enough to reach renters with the greatest needs in Glendale. These renters are more readily served through the City's public housing authority and Section 8 programs. It is unlikely that the number of households receiving assistance through the voucher program will increase, given that the program's budget has been stagnant at the federal level for many years.

Support deeply subsidized rental housing development. To better meet the needs of extremely and very low-income renters, the City should continue to seek out opportunities to develop deeply subsidized rental housing. This will be best done through acquisition and improvement of existing rental housing, including that which has fallen into disrepair. The City could support acquisition of the housing through General Fund and HOME monies, apply for State Land Trust funds and/or help subsidize the rehabilitation of the housing. An existing nonprofit or the public housing authority should manage the housing.

The City should also support the development of Section 202 and 811 complexes, to meet the rental needs of low-income elderly and persons with disabilities.

Although tax credit developments have rents slightly higher than the target rents for the City's renters with the most need, the City should consider supporting developments in north and west portions of Glendale, where there are few subsidized rentals. The City should also support developments with deeper subsidies (40 percent of AMI, rather than 60 percent of AMI). The City's current tax credit developments have low vacancies compared to the market overall, indicating existing demand.

¹ Indeed, the majority of the properties we interviewed had very low vacancy rates, between 3 and 5 percent.

In addition to the activities described in the previous text, the City should continue:

Home rehabilitation activities. The City has been apportioning about half of its annual CDBG and HOME allocation—more than \$1.4 million in 2007-2008—to home rehabilitation activities. These activities range from providing roof repair and replacement, to lead-based paint hazard reduction and accessibility modifications, to the construction of replacement housing for homeowners who live in a unit beyond repair.

Our review of the City's rehabilitation program relative to the needs identified found that the program is appropriately targeting households by income range. The program is assisting approximately 350 households per year with home repairs and accessibility modifications. The gaps analysis of homeowners completed in Section III (Exhibit III-36) found that there are as many as 11,700 homeowners who would have difficulty finding replacement housing they could afford if they moved within Glendale. In addition, there are a few hundred homeowners living in homes in very substandard condition (e.g., lacking complete plumbing and kitchens). At 350 households per year, the City is likely to find demand for its home rehabilitation program for many years, particularly as residents age and more are living on a fixed income and with developing disabilities.

Some of these programs target households earning less than 60 percent of the median family income or less than \$35,000 per year; many target those earning less than 80 percent of the MFI, or less than \$47,000 per year. This targeting is consistent with the need identified by the analysis in Section III. The section found that unless homeowners earn \$50,000 or more (or, if they are lower income, have substantial equity in their current home), finding a replacement home in Glendale is challenging. Therefore, it is important that the City work to keep current homeowners earning less than \$50,000 in their current, affordable homes.

Best Practices

This section highlights practices used in other cities to address housing needs. It concludes with some specific case studies that the City might want to replicate to better meet needs in Glendale.

Developer incentives. This section describes the most common developer incentives used in relevant communities to produce workforce housing. Not only do these incentives produce affordable housing, they also produce *mixed-income* communities, which reduces segregation of affordable housing in a city.

Density bonuses, building variances and smaller lots. Many cities and counties give developers the right to increase densities in their developments or grant variances from building codes in exchange for incorporating affordable and workforce housing. If a developer can add units or reduce costs of a development through height variances, reduced parking requirements, reduced setbacks and landscaping or design requirements, they can better afford to add workforce housing to the overall development plan.

Increasing the allowed density of residential developments can facilitate the construction of a larger number of housing units on smaller lots. In land constrained markets with escalating costs of land and property values, adding to the supply of housing helps address unmet demand. This in turn helps housing prices stay lower, providing opportunities for workforce housing and reducing sprawl and commutes of workers.

Increasing allowable densities can alter the suburban, rural feel of many development areas. However, if done appropriately—using good design standards, preservation of open/community space and incorporating a mix of housing sizes and types—the communities can both maintain a rural nature and develop in a way that accommodates housing demand, reduces congestion and mitigates sprawl.

- **Example: Density bonus in McLean, Virginia.** In the very high-income community of McLean, Virginia, a developer of 105-unit subdivision of luxury housing applied for, and was granted, a density increase to build an additional 35 units in exchange for affordable housing development. To mitigate Not-In-My-Backyard Syndrome (NIMBY) from surrounding residents, the developer constructed the affordable units in a “great house” style. The great house was designed to look like a large, single-family home, but contained four townhomes, each with their own front entrance and garage parking. This design provided more uniformity with the surrounding homes. Before this concept was introduced, most affordable housing in the area was developed as low-rise multifamily or traditional townhome units, which stood out, and often apart, from private-market units.

Expedited review. Another common development incentive is an expedited review process for development applications with affordable housing proposed. Developments with an affordable component go to the top of the review pile, and the review process occurs within a guaranteed number of days and is as transparent as possible. The benefit to developers is that their carrying costs (e.g., financing on a property acquisition loan) are reduced because they can develop and sell properties more quickly than they would have without an expedited review process. An expedited review process provides the most benefit in communities where the review process is lengthy, the number of development applications is consistently high, and staff need to prioritize applications to review.

- **Example: San Diego development review.** The City of San Diego offers qualified workforce housing projects completeness checks within five business days; the first review completed within 20 business days; and project review meetings within 10 business days after the first review. The City also requires mandatory preliminary review meetings before the application process begins.

Donation of public land. In high costs areas, donation of land or sales at a greatly reduced price are key to making workforce and affordable housing developments pencil out, especially deeply subsidized housing developments.

Cities and counties can conduct land inventories and make available to developers lists of available publicly-owned parcels of real estate (e.g., owned by the city/county, redevelopment entities and school districts), along with their current use status. These properties can be sold to developers of affordable and workforce housing at reduced costs or as a donation; the assistance provided should depend on the amount of subsidy offered by the developer (e.g., land donations are key to make very low-cost rentals pencil out. For sale, workforce housing units should require fewer subsidies.)

If these parcels are dedicated to the development of workforce housing, the city and/or school district would be entitled to dedicate the housing that is developed for its own workforce. Similarly, private landowners who donate land would be entitled to use the housing developed for their workforce.

Private land owners and developers may be motivated to donate some or all of the market value of property that is suitable for workforce housing development. This motivation may be charitable in nature, or it may be part of a developer/owner's efforts to meet requirements and gain governmental approvals for future development. Land donation can also be linked to other developer incentives (e.g., providing fee waivers and density bonuses.)

Affordable infill housing. “Infill” housing or infill development generally means new housing and commercial property that is built on vacant or underutilized lots in cities and suburbs. Infill properties can range from single vacant lots in a residential area to commercial parking lots, to old airports and industrial areas.

Infill development can simultaneously meet many community goals: Infill housing can make better use of vacant/underutilized land, reduce traffic congestion by providing housing close to employment centers and be a catalyst for revitalization of an aging neighborhood. Infill housing can be workforce housing or high-end housing, depending on the size of the development, the location and community needs.

Cities can help support infill development by donating public land and/or helping to inventory and identify potential properties for infill development; waiving fees for infill projects; providing grants for infrastructure (e.g., using CDBG funds); and assisting with construction costs or homebuyer financing (e.g., using HOME funds). Glendale currently waives impact fees for infill development. However, the fee waivers are not tied to affordability of housing.

Many communities with infill development programs also have design requirements for the infill homes, with some offering “models” from which residents can choose.

Examples of infill housing policies and developments follow:

- **Miami-Dade County, Florida**—To encourage the development of affordable homes for low- to moderate-income families and redevelop urban neighborhoods by eliminating blight, the county offers several incentives for infill development including: free land for qualified developers; forgiveness of county liens on private lots; deferral and/or refund of impact fees and water and sewer tap fees; and funding assistance from second mortgages for qualified buyers.
- **Lowry Air Force Base, Colorado**—Lowry Air Force Base in Denver was closed in 1994. This former military training facility is now a large, urban infill development offering a mix of housing from subsidized rental units for formerly homeless families to high-end executive housing. Despite this range of housing, in 2006, Lowry was named the most expensive zip code in Denver. Lowry now has 3,500 homes and more than 8,000 residents. The redeveloped site also contains more than 100 employers with 7,000 workers and 3.4 million square feet of commercial space. *The Lowry redevelopment is not only a good model for redevelopment, but also a model for planning principles that can be applied to new development on vacant land.*
- **Highlands Garden Village, Colorado**—This residential infill occurred on the site of a closed amusement park in Denver. The 27-acre site was developed as a planned-unit development and currently contains a range of housing types, from subsidized senior housing to affordable townhomes to higher-end single family detached housing. The development also contains a cohousing community. The theater that was part of the amusement park was retained and redeveloped for use as a community theater.

Adaptive reuse. Adaptive reuse is similar to infill development in that it converts underutilized properties to housing. Adaptive reuse is conversion of existing buildings, however, while infill development is generally new construction on vacant or underutilized land.

The housing resulting from adaptive reuse is usually rental housing or affordable condominiums. The State of Iowa has many examples of old school buildings that have been converted to senior rental housing and, in one case, a continuum of care campus for elderly residents. Adaptive reuse often involves tax credit financing through the federal Low Income Housing Tax Credit program.

Cities have many opportunities to facilitate development of affordable housing by streamlining development processes for affordable developments, providing waivers to parking and site requirements, accepting rezoning requests, waiving development and impact fees and granting bonuses to add density (more units) to a development—all in exchange for affordable housing development. Except for fee waivers, these strategies can produce affordable housing without the expenditure of public funds.

Acquisition/rehabilitation. The City of Colorado Springs offers an Acquisition Rehabilitation Resale Program that removes blighted homes from the City's housing stock and turns them into affordable housing to buy.

Properties are acquired by nonprofit and private sector developers with City, state and federal funding (HOME, Hope III, private dollars). City staff inspects the properties before committing to acquire them. The properties are valued by an appraiser. After acquisition, the properties are deeded to the City.

The rehabilitation of the properties is funded by CDBG, HOME, state loans and private sector dollars.

After the rehabilitation is complete and staff determines that the properties meet the City's Rehabilitation Standards, the property is sold as affordable housing. The properties are sold to qualifying buyers (earning less than 80 percent of the AMI or \$50,000 for a family of four), nonprofit agencies (to rent to low-income households), or as a lease-to-own program.

Community Land Trusts. Community Land Trusts are nonprofit organizations that develop affordable housing, then sell the units but retain ownership of the land. Buyers of the units pay a small fee each month or quarter to "lease" the land on which their unit is built. This helps to keep the cost of the unit affordable, as much of the appreciation of a unit is contained in the land. In some land trust models, the resale price of the home is limited (e.g., by the Consumer Price Index), which allows the seller to benefit from some appreciation while still keeping the resale price affordable.

Examples of land trust models: include

- **Tempe Community Land Trust**—The Newtown Community Development Corporation in Tempe acquires and builds homes at below-market sales prices by retaining ownership of the land and leasing it to the owner of the home in a 99 year renewable ground lease. Buyers must be income-eligible (low income households). Homebuyer education classes are offered by the land trust, in addition to an individual development account program for downpayment savings.
- **Colorado Community Land Trust**—Originally part of the Lowry Air Force Base redevelopment (see below), the Colorado Community Land Trust (CCLT) develops properties where the homeowner owns the home while CCLT owns the land upon which the home is built. CCLT is also a development partner with private-sector developers who are required to develop affordable for sale housing as part of the City’s inclusionary housing ordinance. Working with developers, CCLT helps them:
 - Identify qualified buyers for affordable homes;
 - Complete buyer income verification;
 - Provide buyers lists of lenders who specialize in affordable lending programs;
 - Assist buyers with the purchase process;
 - Coordinate homebuyer classes;
 - Act as the listing agency for affordable units; and
 - Manage the resale of the affordable units.

Keeping Units Affordable

When affordable workforce housing units are created through special governmental concessions or contributions of community property and resources, there is a need to maintain the affordability of these units over time. The community’s objective is not to enrich a single homeowner, but rather to facilitate the community’s long-term affordable housing opportunities. There are two common approaches for maintaining affordability:

- A property’s future sales price is limited through deed-restriction. In other words, when an existing homeowner decides to sell his/her “workforce housing” property, the sales price is limited to some specified amount based on a pre-determined deed-recorded provision or formula. Only qualified buyers may purchase this property. Allowable appreciation for the homeowner is usually tied to the Consumer Price Index.
- Develop the units using a land trust model, where the land is leased by the owner and the improvements are owned. The land is owned by the developer, nonprofit organization, or the City/County. Owners are allowed to recapture the appreciation on the structure and any improvements they have made to the home at the time of sale. By controlling the appreciation of the land, the units stay more affordable than they would be if they were not in a land trust (and did not have other affordability restrictions).

CASE STUDY EXAMPLES

This section provides examples from other communities of the tools and programs recommended to address the housing needs in Glendale. The purpose of this section is to provide the City with ideas of how to implement some of the recommendations, as well as contacts of the cities introduced herein, should the City choose to model its programs after those described herein.

The sources of information used in this section include BBC's knowledge of programs and tools from working with current and past clients; case studies from "Workforce Housing: Innovative Strategies and Best Practices," Urban Land Institute, 2006; and Internet searches and reviews of best practices identified by the U.S. Department of Housing & Urban Development (HUD).



Density Bonuses and Fee Waivers to Produce Workforce Housing

The Wellington Neighborhood in Breckenridge, Colorado is one of the best examples of a master-planned, workforce housing community. The neighborhood was created by a private developer who had a vision to create affordable, attractive mountain housing. The biggest challenge, according to the developer, was the Town's "land use regulations...

which prohibited some of the design elements that give the neighborhood its charm: setbacks, alley widths and road widths, to name a few."¹

Purpose. Wellington was designed to provide affordable, for-sale housing for the workforce in Breckenridge and Summit County, Colorado. The majority of the homes—98 of the 122 total—are deed-restricted. Twenty-four (20 percent) are market rate. The homes are only available to full-time residents who work at least 30 hours per week in Summit County. The Wellington Neighborhood is governed by the Wellington Homeowners Association, which includes a design review committee.

Home sizes and prices. Homes range in size from 1,000 to 2,000 square feet. They include detached single family homes and townhomes. Pricing ranges from \$220,000 for deed-restricted homes to more than \$480,000 for market rate homes.

Lot sizes vary from approximately 3,800 square feet to 5,800 square feet, with most being around 4,000 square feet.

The deed restriction limits the amount of appreciation an owner can realize upon the re-sale of the home. This ensures that the units are affordable to the next buyer. Price appreciation is limited to 3 percent per year, or the percentage increase in the area median income (AMI), whichever is greater.

¹ *Cottage Living*, http://www.poplarhouse.com/awardsPress_print.htm.

Development challenges and successes. One of the largest barriers to developing workforce housing in Breckenridge is the high cost of land. The development team kept costs down by acquiring property in unincorporated Summit County, contiguous to the Town of Breckenridge.

The county's zoning ended up being the largest barrier to development. The zoning on the site only allowed four homes. After years of public debate about the project, the Town of Breckenridge agreed to annex the property and permit a total of 122 units. Town leaders also accepted the developer's vision of a dense, new urbanist-design. And, the Town provided important subsidies worth about \$1 million by waiving of inspection, annexation, and development-review fees worth about \$7,500 per unit, and of a 1 percent transfer tax worth approximately \$2,500 per unit.

Land Donation for Workforce Housing

Casa del Maestro (literally translated as “house of the teacher”) is a 40-unit apartment complex developed in Santa Clara, California, which is rented exclusively to teachers in the Santa Clara Unified School District. The school district built and owns the development to provide affordable housing to its teachers.

Although this program contains rental units only, it is a model that could be easily employed to create for-sale housing or a mix of housing tenure. It also demonstrates a unique partnership between the school district and a private-sector developer, who was in the business of developing luxury housing in the area.

The program arose due to the school district's difficulty in attracting and retaining teachers. In the late 1990s, the school district was experiencing five-year attrition rates of more than 300 percent. Leadership within the district determined that the cost of attrition was higher than the cost of providing affordable housing to teachers.

The site and development process. The school district owned a 2.16-acre surplus site adjacent to an existing school. The school district decided to dedicate this site to the development of Casa del Maestro. Owning the land was a huge factor in keeping development costs down and keeping the apartments affordable. Apartment complexes surrounding the site served as the design guideline for the developer of the property.

The developer of Casa del Maestro was a regional provider of luxury housing. The developer agreed to trade a lower return for the satisfaction and public acknowledgement of having provided a community service in the form of affordable housing. The developer proposed to act as the project developer in return for reimbursement costs of project management—but not additional fees or profit. The primary “return” to the developer was a strengthened relationship with the school district and the City and County of Santa Clara.

Development funding and operations. The project was funded through bonds issued by the school district. Rents were set at the minimum amount that would be required to cover actual operating costs, debt service on the bonds and a small reserve fund. This resulted in rental rates for a one-bedroom unit of \$650 to \$730, about half the regional average for one-bedroom rents. The rental contract is contingent upon employment with the school district, and the maximum length of time tenants are allowed to live in the units is 5 years. It is hoped that within this timeframe, teachers will be able to build their savings and purchase a home. Renters have access to homebuyer counseling and assistance programs provided through the City government.

Lessons learned. Several lessons were learned from this unique project that can be employed in other cities:

- Land dedication by the school district was crucial to building the affordable housing. Many municipalities, school districts and other agencies have surplus parcels of land that could be used for developing all types of affordable housing.
- This housing model—called constituent group housing—could be employed to other members of the local workforce, including police officers, firefighters and municipal employees.
- Professional workforce housing must replicate the amenities, location and quality of market-rate housing. Highly trained professionals demand (and deserve) a high quality of life from their homes.
- In cases where an agency owns housing that is rented to its employees, a third party property manager should handle the leasing and upkeep of the property. This ensures that the owner/employer is kept at an “arm’s length” from the tenant/employee.



Discounted Land Sale for Affordable Senior Housing

The Viviendas Asistenciales housing for the elderly and persons with disabilities in Tucson, Arizona has 31 accessible units with individual courtyards grouped around a common courtyard. The use of native landscaping and design of the courtyards allows residents to enjoy being outdoors while keeping cool.

The facility is ideally located: It is next to a county facility offering health and social services, across the street from a large shopping center and one block from a hospital.

The Tucson Community Development Center, which owns and operates the development, paid \$37,600 for the property, rather than its market value of \$400,000. Pima County offered the property via a public process to any developer who would agree to provide 30 units of full subsidized and handicapped units for 40 years. At the end of the 40 year term, the property title returns to Pima County.

The construction of the development cost \$962,500; total development costs were \$1,116,976, or \$36,000 per unit. Funding was obtained through the Section 202 program; residents receive Section 8 voucher subsidies.

SECTION VI.

GIS Data Analysis

SECTION VI.

GIS Data Analysis

A significant component of the Strategic Housing Study BBC Research & Consulting (BBC) conducted for the City of Glendale (City) involved collecting detailed housing and demographic data at small geographic levels called Block Groups. This section contains examples of how the City might analyze and map the data for use in its planning purposes.

Methodology

BBC collected approximately 400 demographic and housing variables for every Census Block Group in the City, as well as for Block Groups that are partially contained within the City, and assembled the data in an Excel database.

The U.S. Census Bureau uses several types of geographic areas in its data collection and tabulation operations, including their structure, designations and relationships to one another. The Census Block Group is a subdivision of a Census Tract—a Block Group is the smallest geographic unit for which the Census Bureau tabulates sample data. A Block Group consists of all the Blocks within a Census Tract with the same beginning number. The Census Tract is a small, relatively permanent statistical subdivision of a county, delineated by a local committee of census data users for the purpose of presenting data. Census Tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Designed to be relatively homogeneous units with respect to population characteristics, economic status and living conditions at the time of establishment, Census Tracts average about 4,000 inhabitants. They may be split by any sub-county geographic entity.

Example: Block Group 3 consists of all Blocks within a 2000 Census Tract numbering from 3000 to 3999. In 1990, Block Group 3 consisted of all Blocks numbered from 301 to 399Z.

We used the most current sources of data for the database, including:

- Demographic projections for 2006 from the commercial data provider Claritas;
- Data on homes sold and for sale from Bill Whetten;
- Census data from 2000.

Attached to the end of this section is a complete list of shapefiles and variables available for the City's use in the Excel file submitted with the City of Glendale's Housing Study.

The maps and tables that follow provide examples of what can be mapped and learned from the available data and ArcGIS shapefiles (mapping files). The majority of the maps show data as a percentage of the population in each Block Group. For example when looking at the map of the percent of Hispanic or Latino households by Block Group, a percentage of 25 means that approximately 25 percent of the households within *an individual Block Group* are Hispanic or Latino households.

Population

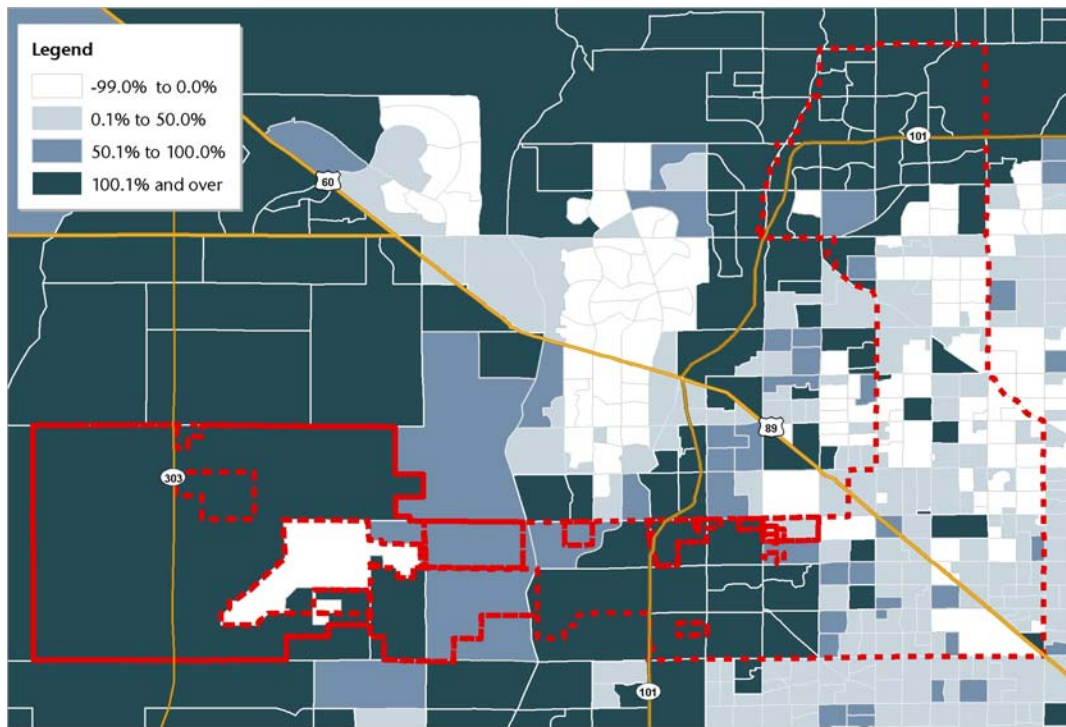
Population growth is a common tool used to examine a community's health. Population growth may mean an increase in the building of housing or a revitalization of an area, therefore creating a demand for more goods and services. An increase in population is commonly interpreted as a positive occurrence; however it also brings more challenges for a community such as increased traffic congestion and pollution.

More than 92,000 people have become Glendale residents in the past 16 years. The City added an average of almost 5,800 residents per year between 1990 and 2006.

Over one-fourth of the Block Groups located within Glendale's border have increased more than 100 percent from 1990 to 2006. The majority of these Block Groups are located in the western and northern areas of the City. Another one-fourth of Glendale Block Groups lost population over the previous 16 years. These Block Groups were more centrally located in the City. Exhibit VI-1 shows the percent change of the population by Block Group from 1990 to 2006.

Exhibit VI-1.

Percent Change of Population by Block Group, City of Glendale, 1990 to 2006



Source: Claritas data, 2006 and BBC Research and Consulting.

Glendale's population is evenly distributed among the Block Groups located in central and northern Glendale. However, the Block Groups in the far western part of the City were less dense and contained approximately 10 percent of Glendale's population.

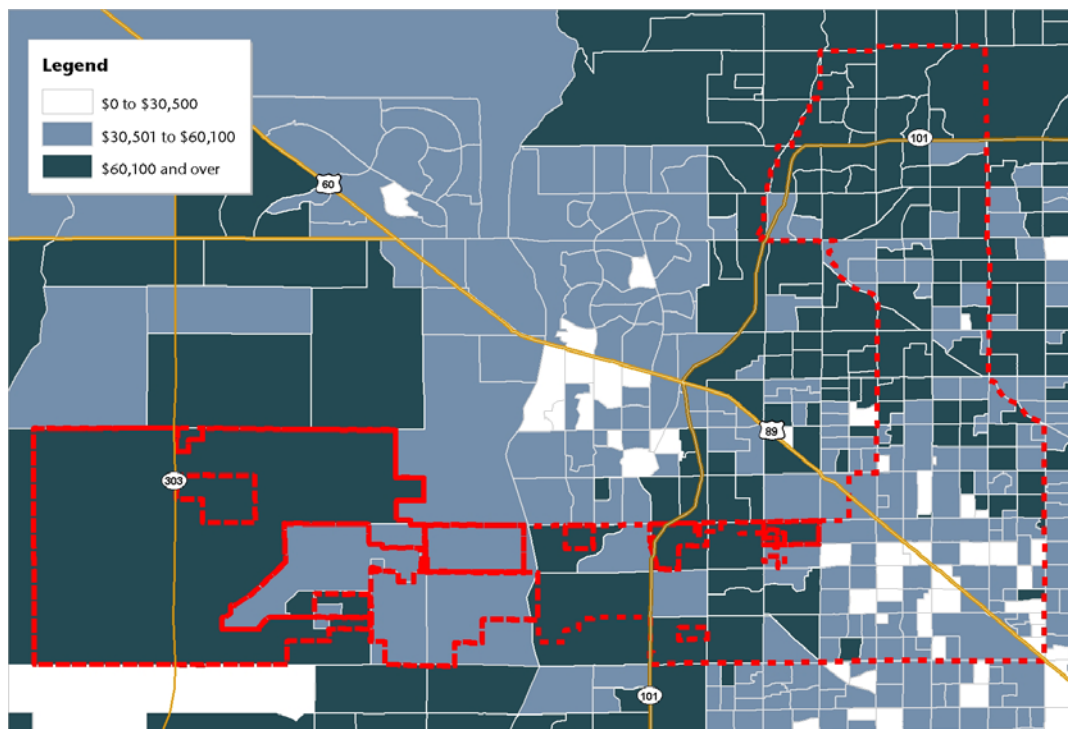
Income

According to data projections, the 2006 median household income (MHI) in the City of Glendale was \$49,889, up from \$45,393 in 2000.¹

The Department of Housing and Urban Development (HUD) also provides median household incomes for select Metropolitan Statistical Areas (MSA), cities and counties throughout the United States. The federal government (and most state and city governments) use HUD's median family income (MFI) to define eligible households for housing and community development programs. The HUD MFI for the Phoenix-Mesa-Scottsdale MSA was \$60,100 in 2006.

Exhibit VI-2 shows MHI by Block Group. Lightly shaded Block Groups have medians that are less than the HUD median of \$60,100. Darkly shaded Block Groups are higher than the overall median. The map shows that the northern Block Groups (and to some extent, western Block Groups) have higher medians than those in the south-central and southeastern portions of the City.

Exhibit VI-2.
Median Household Income by Block Group, City of Glendale, 2006

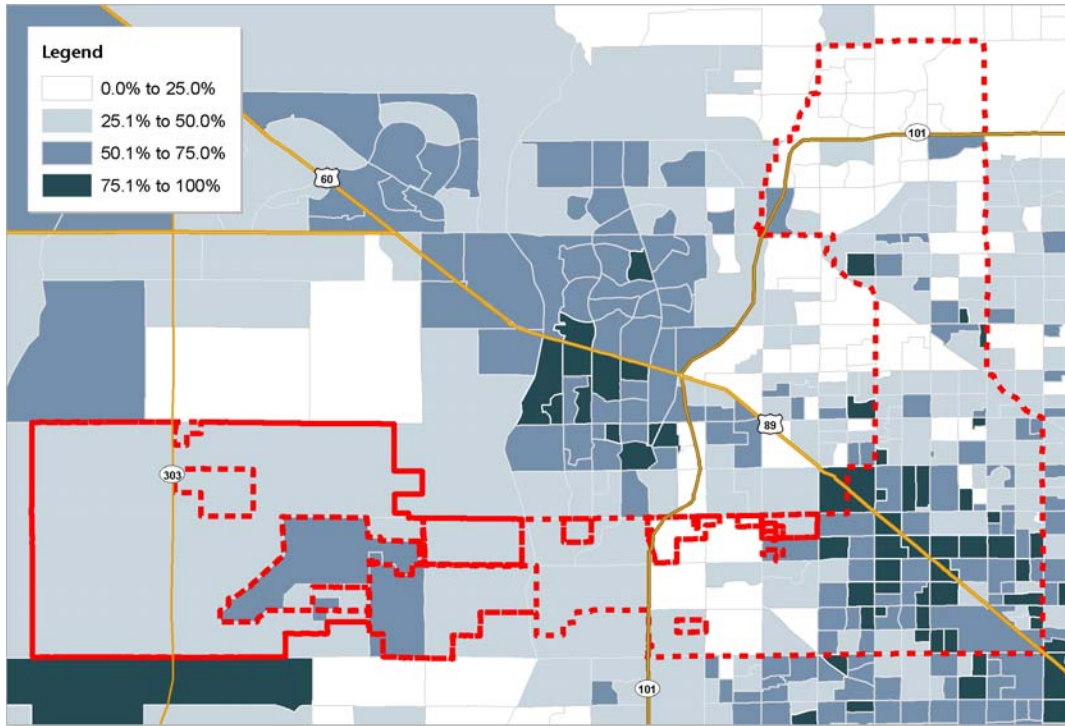


Source: Claritas data, 2006 and BBC Research and Consulting.

¹ Claritas estimates a median income of \$49,889 for Glendale in 2006; the Census American Community Survey estimates a very similar \$48,455.

Exhibit VI-3 displays the percent of households earning less than 80 percent of the 2006 HUD median family income (the MFI equals \$60,100 and 80 percent of that MFI is \$48,080) by Block Group. These households are considered by HUD to be low-income. For example, a percentage of 25 means that approximately 25 percent of the households within an individual Block Group are low-income. As demonstrated by the exhibit, low-income households are largely grouped in the south-central and southeast portions of the City.

Exhibit VI-3.
Percent of Households Earning Less Than 80% HUD 2006 MFI (Low- and Moderate-Income Households) by Block Group, City of Glendale 2006

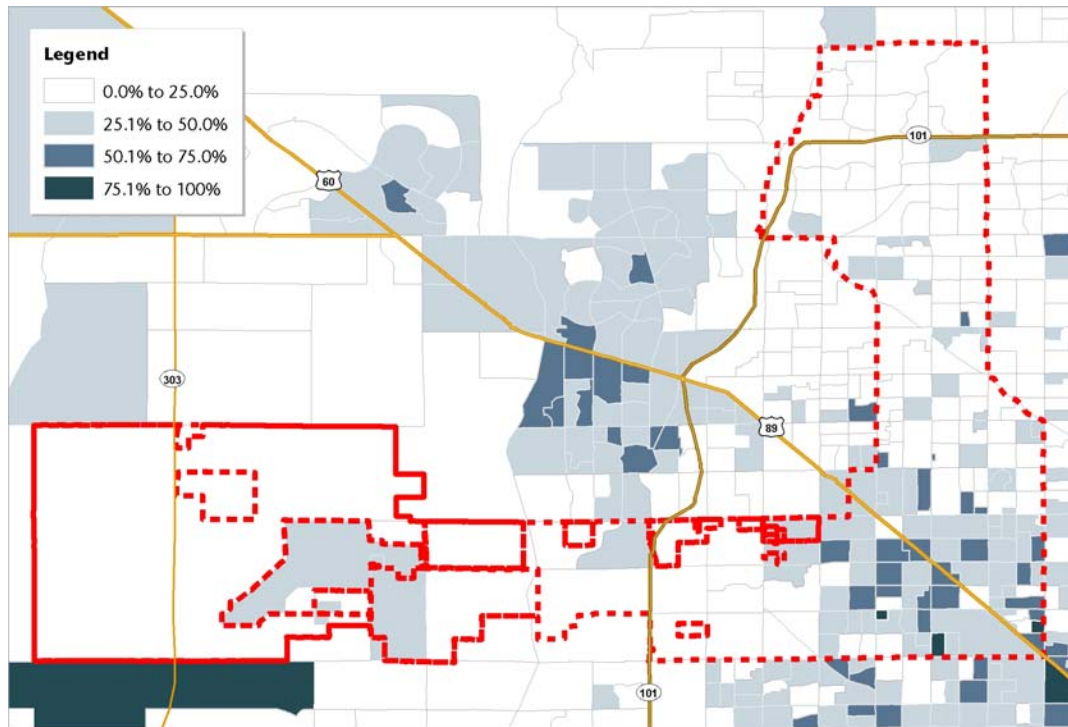


Source: Claritas 2006 estimates, HUD and BBC Research & Consulting.

Exhibit VI-4 displays the percent of households earning less than 50 percent of the 2006 HUD median family income (the MFI equals \$60,100 and 50 percent of that MFI is \$30,050) by Block Group. These households are considered by HUD to be *very* low-income. Very low-income households are more commonly found in the south-central and southeast portions of the City.

Exhibit VI-4.

**Percent of Households Earning Less Than 50% HUD 2006 MFI
(Very Low-Income Households) by Block Group, City of Glendale, 2006**



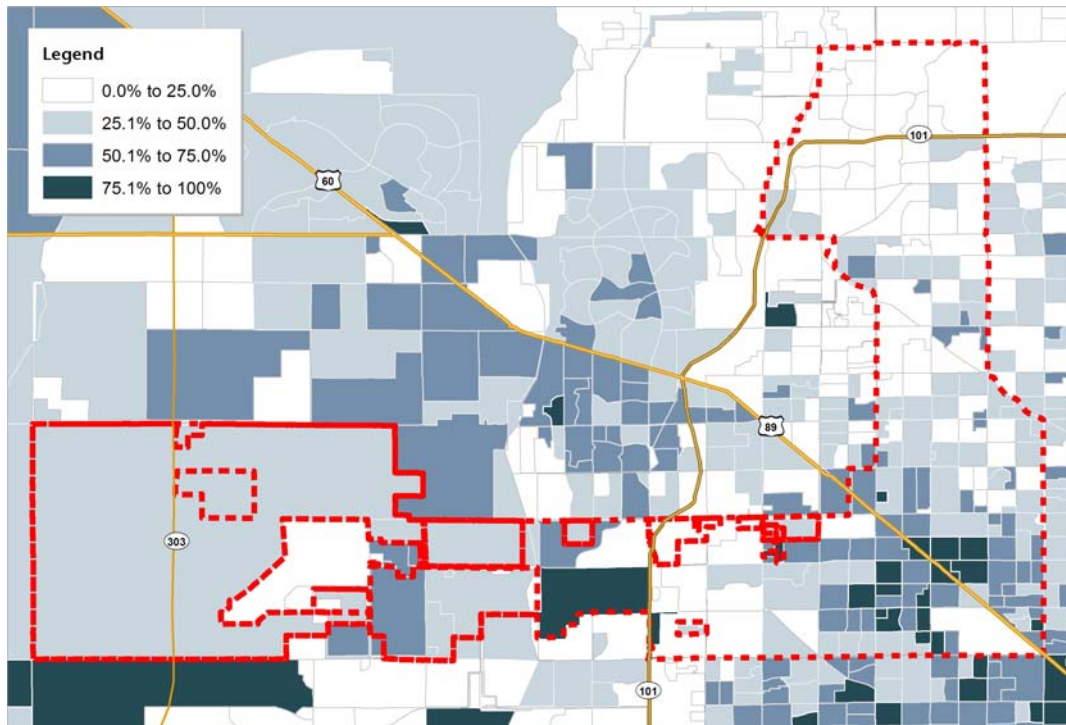
Source: Claritas 2006 estimates, HUD and BBC Research & Consulting.

HUD low- and moderate-income areas. HUD also performs a series of calculations to determine the number of low- and moderate-income persons at the Block Group level, which are sized to fit with the City border. The Low and Moderate Income Summary Data (LMISD) values are calculated using income that has been previously reported to the Census Bureau (for families and non-families) as compared to income limits, where the reported income and income limits reflect the same point in time. The current LMISD is calculated using the 2000 Census data, which is the latest available data for reported income.

HUD estimates that 41 percent of Glendale's population is low- and moderate-income. The following exhibit shows the percent of population for each Block Group that is low- and moderate-income.

Exhibit VI-5.

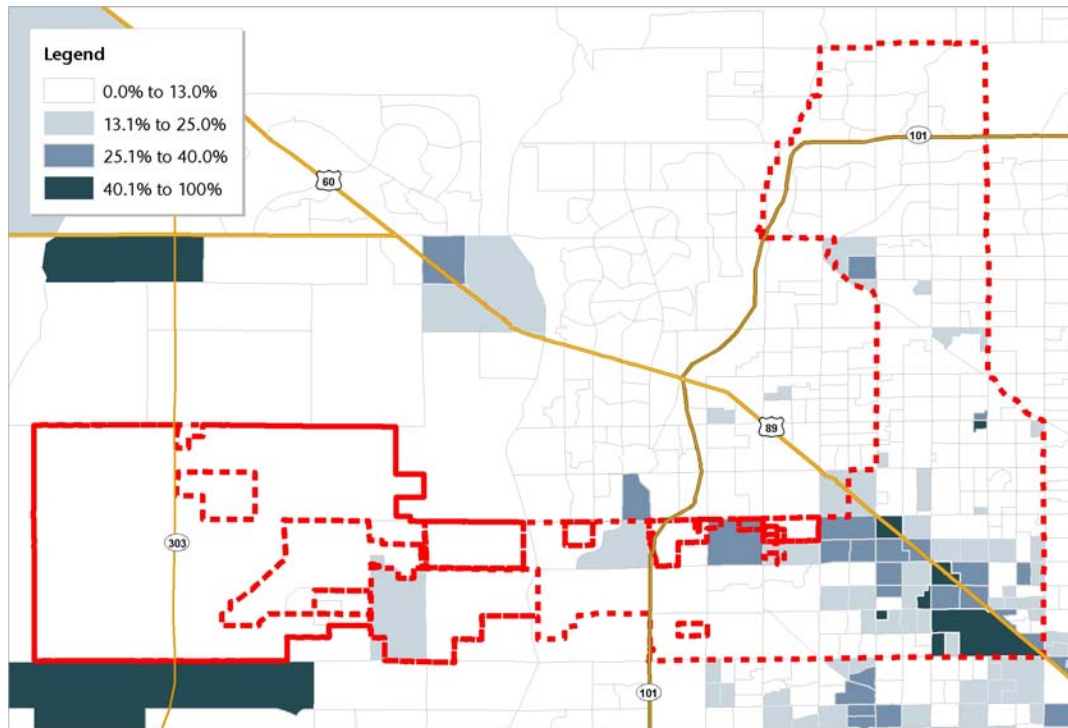
HUD's Percent of Population Earning Less Than 80% of the MFI (Low- and Moderate-Income Population) by Block Group, City of Glendale, 2007



Source: U.S. Department of Housing and Urban Development.

Below poverty level. The Census reported that in 2006, 13 percent of Glendale's families had incomes below the poverty level. The Block Groups that are shaded in Exhibit VI-6 have a higher percentage of families living below poverty level residing in them when compared to the City overall. Poverty appears to be concentrated in the shaded Block Groups. However, an analysis of the data shows that poverty is fairly evenly dispersed: The 8 Block Groups with poverty rates that exceed 40 percent contain only 6 percent of the City's families living in poverty.

Exhibit VI-6.
Percent of Families Living Below Poverty Level by Block Group, City of Glendale, 2006



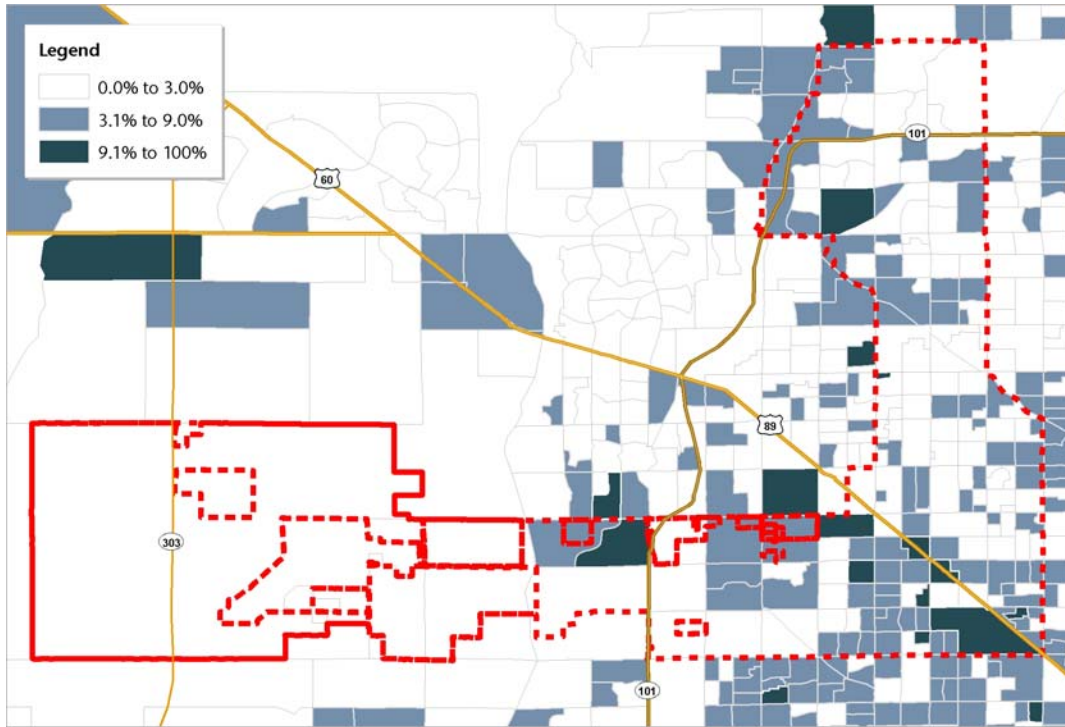
Source: Claritas data, 2006 and BBC Research and Consulting.

The above maps showing concentrations of low-income households living in poverty will be important to the City as it considers the location of new housing to serve low-income households. To facilitate more mixed-income communities, such housing should be located in the north-central, northern and western portions of the City.

Employment

Approximately 3 percent of the employable² Glendale population was unemployed in 2006. The shaded Block Groups in the following exhibit have a higher unemployment rate than the City overall.

Exhibit VI-7.
Percent of Employable Population that is
Unemployed by Block Group, City of Glendale, 2006

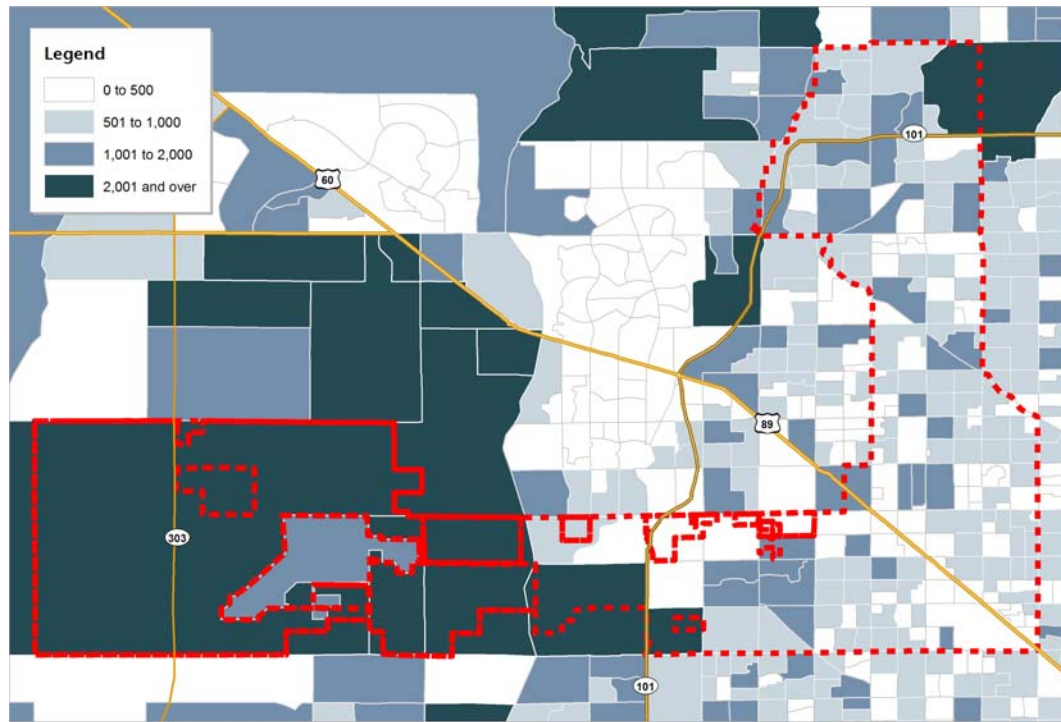


Source: Claritas, 2006 estimates and BBC Research & Consulting.

² The employable population includes persons age 16 and over who are in the Armed Forces, civilian employed, civilian unemployed or not in the labor force.

The following exhibit shows the number of people employed by Block Group. This map illustrates where in the City the largest number of workers live, which is important for future housing planning, particularly if the City desires to reduce commutes and create opportunities for live/work environments.

Exhibit VI-8.
Number of People Employed by Block Group, City of Glendale, 2006



Note: Persons employed includes civilian and Armed Forces employees.

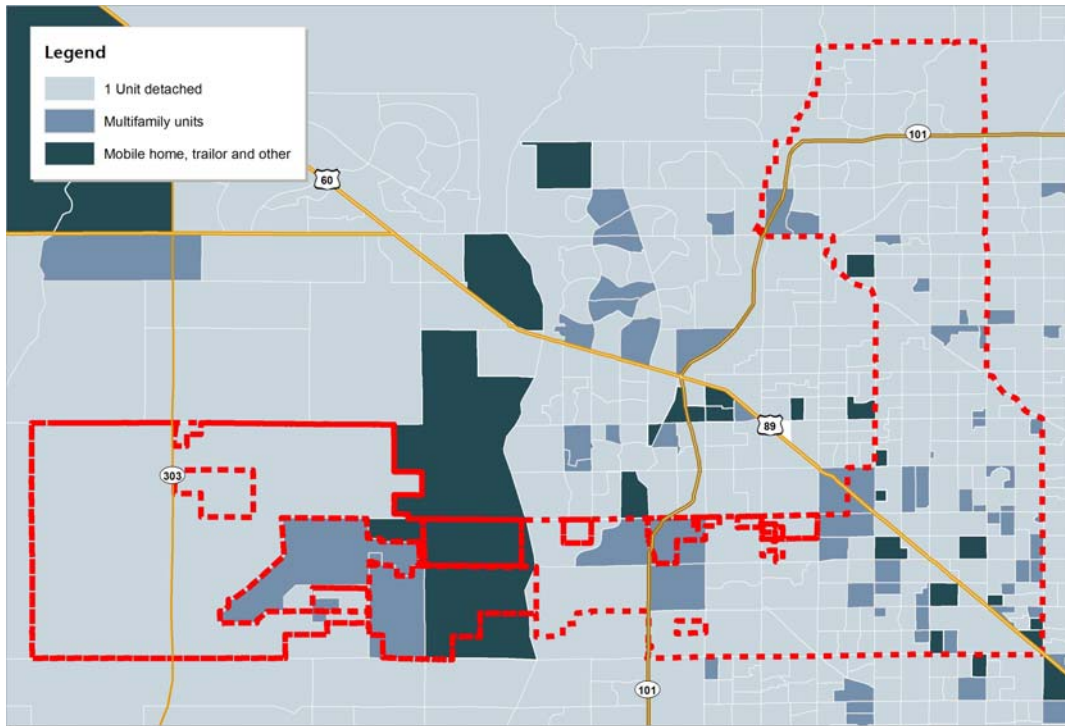
Source: Claritas, 2006 estimates and BBC Research & Consulting.

In addition to persons employed and unemployed, the number of persons employed by occupation by Block Group was collected and is available for mapping by individual occupation.

Housing

In 2006, about 61 percent of Glendale's housing units were considered single family *detached*; 29 percent were apartments. Approximately 4 percent of the units were single family *attached* units (e.g., townhomes, duplexes, etc.).³ The majority of Block Groups in Glendale have single family detached homes as their dominant housing structure, as show in Exhibit VI-9.

Exhibit VI-9.
Dominant Housing Structure by Block Group, City of Glendale, 2006

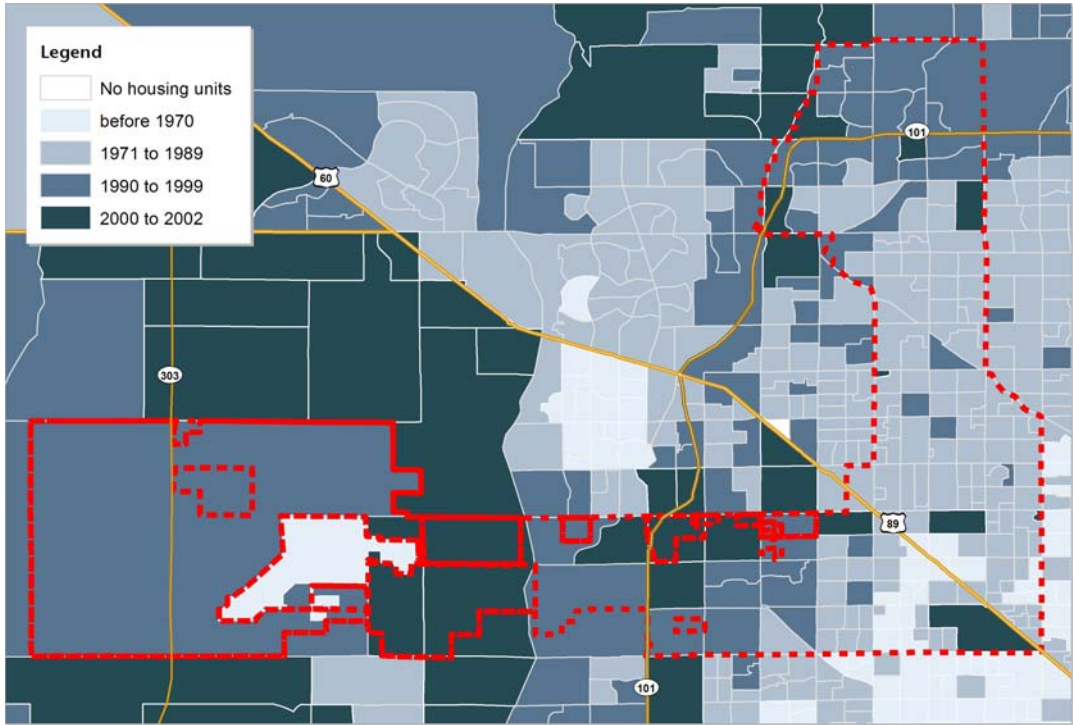


Source: Claritas, 2006 estimates and BBC Research & Consulting.

³ Single family, attached or 1-unit, attached – This is a 1-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

According to the 2006 Census, approximately one-half of Glendale's rental housing units were built before 1980. Exhibit VI-10 shows the median year that housing units were built by Block Group. For many Block Groups, the dominant years for development were 1971 to 1989. The Block Groups with median years of 1989 and lower are also the areas where the most affordable for sale housing is located.

Exhibit VI-10.
Median Year Housing Units Were Built by Block Group, City of Glendale, 2006

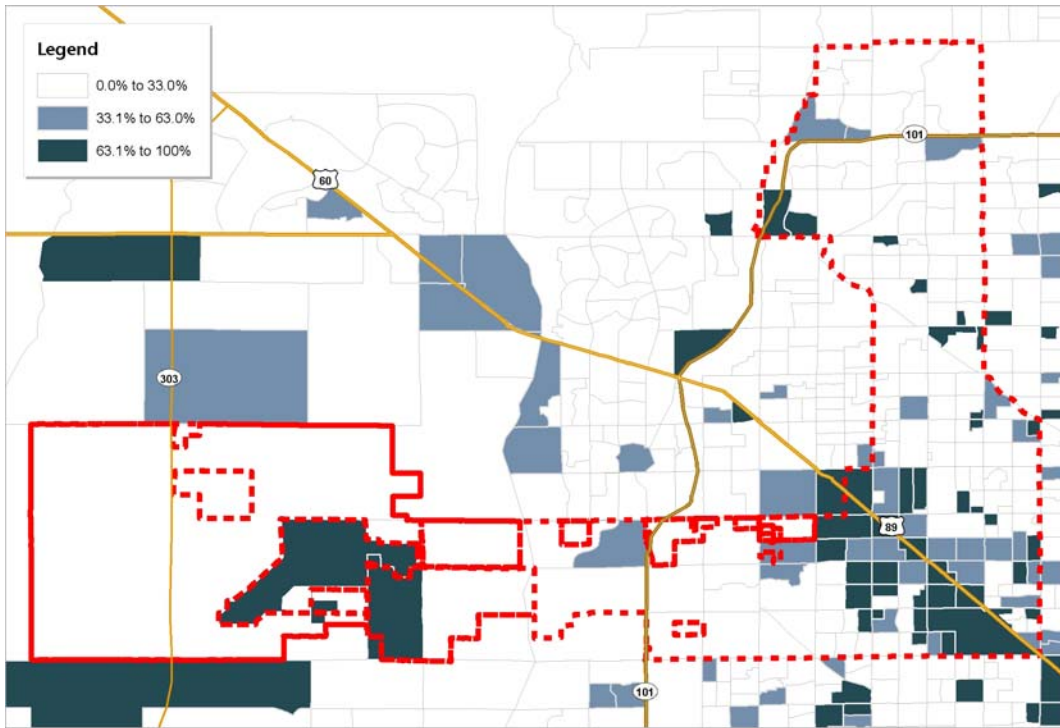


Source: Claritas, 2006 estimates and BBC Research & Consulting.

Tenure. Of the City's 77,300 occupied housing units, 48,750, or 63 percent, were owner-occupied. An estimated 28,566 units, or 37 percent, were renter-occupied.

Exhibit VI-11 shows the percent of occupied housing units who are renters by Block Group. The shaded Block Groups have a higher percentage of renter-occupied units than is commonly found in the City.

Exhibit IV-11.
Percent of Renter-Occupied Housing Units by Block Group, City of Glendale, 2006

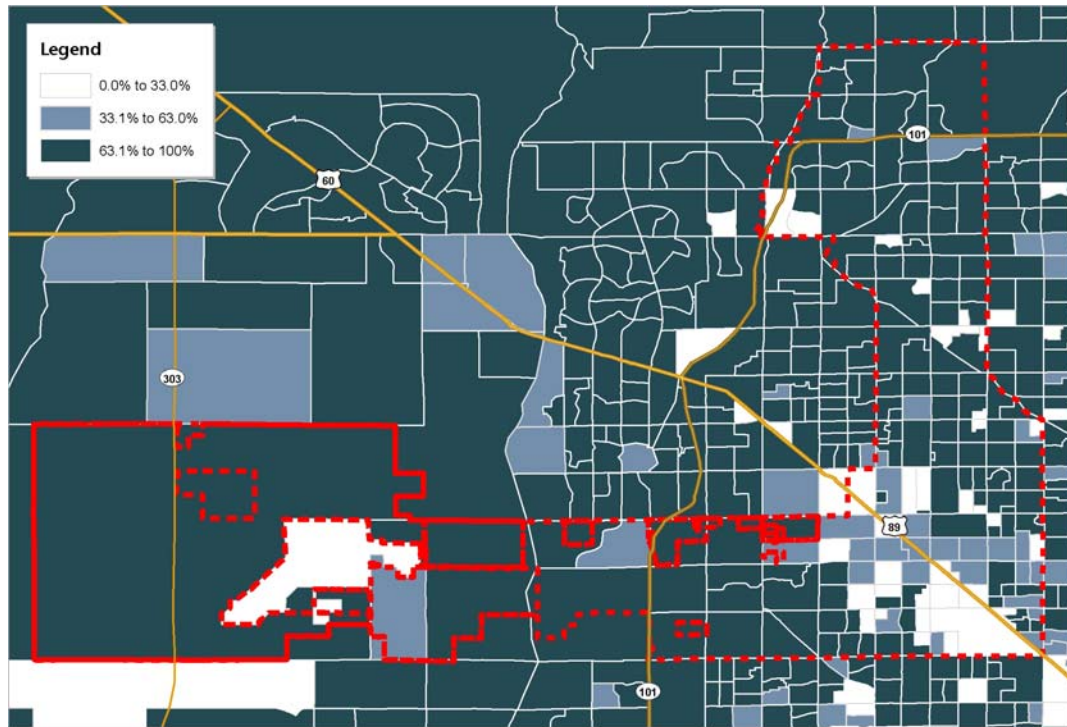


Source: Claritas, 2006 estimates and BBC Research & Consulting.

In 2006, the homeownership rate in Glendale was estimated at 63 percent. Exhibit VI-12 shows the homeownership rate in Glendale by Block Group. The areas with the darkest shading indicate Block Groups where the homeownership percentage was higher than the City average overall.

Exhibit VI-12.

Percent of Owner-Occupied Housing Units by Block Group, City of Glendale, 2006



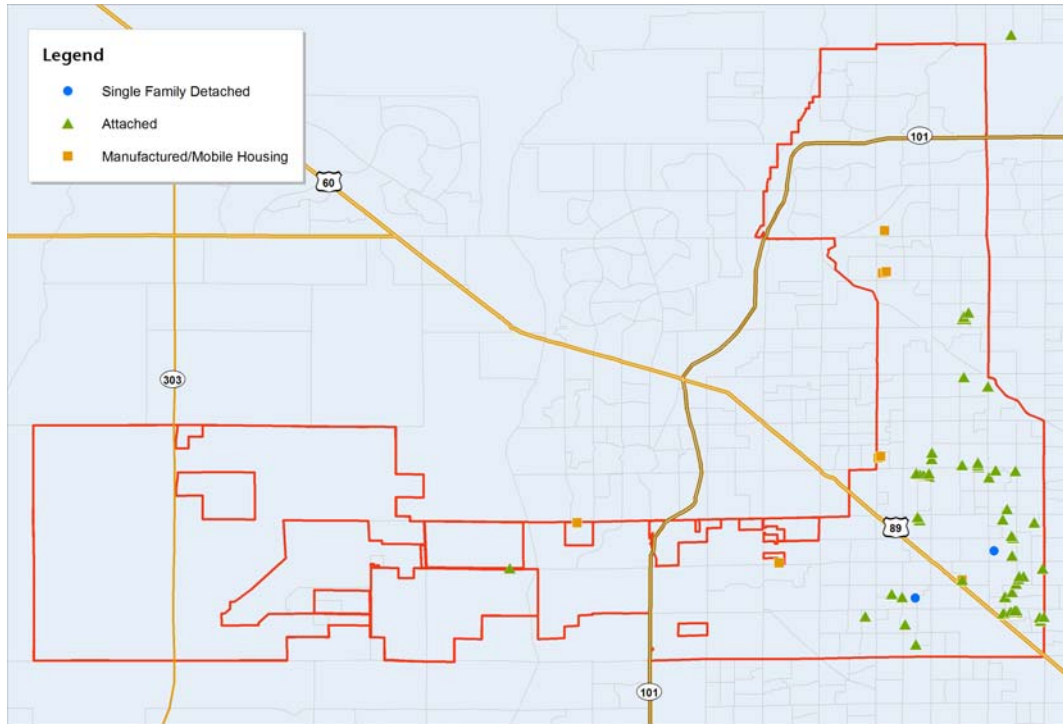
Source: Claritas, 2006 estimates and BBC Research & Consulting.

To the extent that the City desires to diversify its housing stock by type and tenure, Exhibits VI-9 through VI-12 will help with planning where to locate new/infill rental and ownership housing.

Affordability. Exhibits VI-13 and VI-14 show the location of homes affordable to the City's low-to moderate-income households. For the purposes of the following maps, the Phoenix MSA median household income of \$52,008, as reported by Claritas, was used to determine affordability. This median household income was used because it is more reflective of incomes for all households when compared to HUD's MFI. Low-income households are defined as those earning \$42,000 and less. Moderate-income households are defined as those who earn \$62,000 and less.

Exhibit VI-13.

**Location of Homes Sold That Are Affordable to Households Earning \$42,000
(Sale Price was \$141,000 or Lower), City of Glendale, January to July 14, 2007**



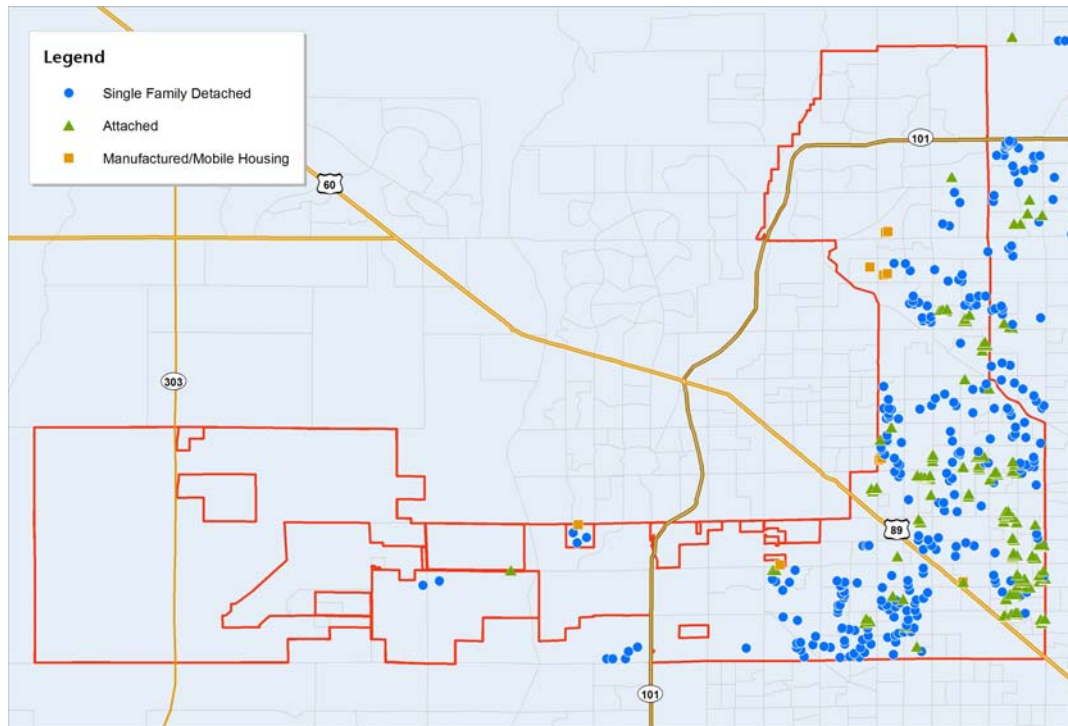
Note: Attached homes include patio homes, townhouses, apartment style condominiums and Gemini/twin homes.

Source: BBC Research and Consulting and MLS sales data provided by Bill Whetten.

The best option for homeownership for households earning \$42,000 and less is attached housing, followed by manufactured/mobile housing. Affordable units are largely located in the southeast portion of the City.

Exhibit VI-14.

**Location of Homes Sold That Are Affordable to Households Earning \$62,000
(Sale Price was \$217,000 or Lower), City of Glendale, January to July 14, 2007**



Note: Attached homes include patio homes, townhouses, apartment style condominiums and Gemini/twin homes.

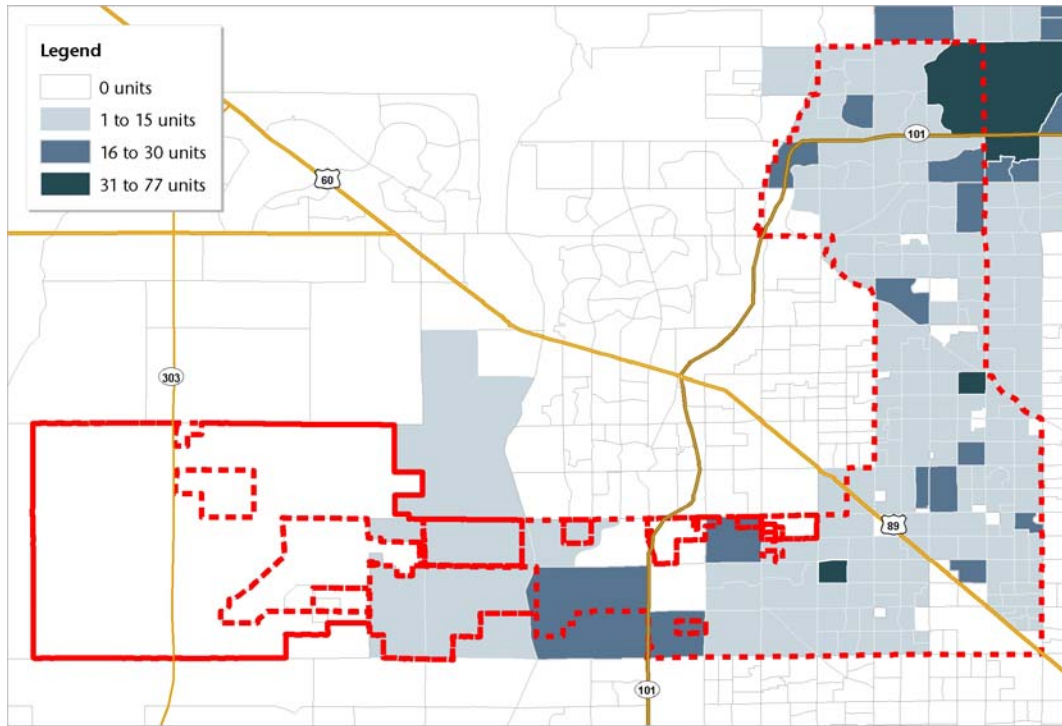
Source: BBC Research and Consulting and MLS sales data provided by Bill Whetten.

Households earning \$62,000 and less (120 percent of AMI) have many more homes to choose from than lower-income households. Once households exceed the \$50,000 income threshold, there are many more units available to buy.

MLS sales data was also converted to summary data for each Block Group where homes were sold in Glendale. For example, the average sale price and average year the housing units were built in each Block Group was calculated and is shown in Exhibit VI-15 and Exhibit VI-16. The following exhibit shows the number of units sold from January to July 14, 2007 in the City of Glendale by Block Group.

Exhibit 15.

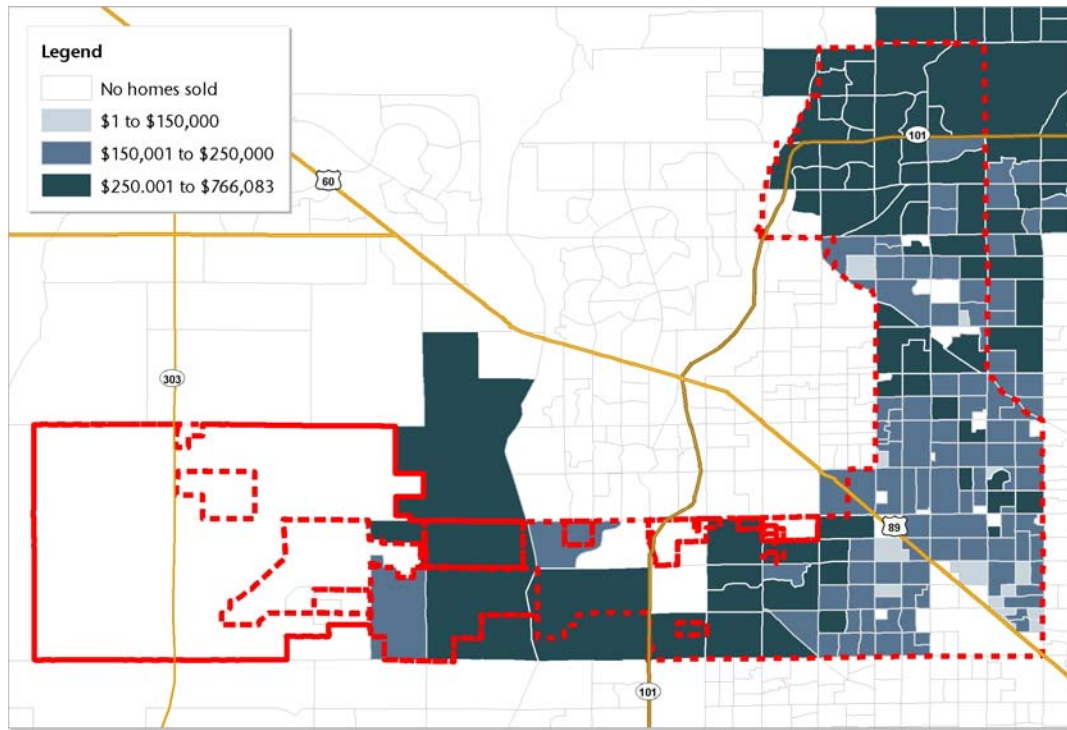
Number of Housing Units Sold by Block Group, City of Glendale, January to July 14, 2007



Source: BBC Research and Consulting and MLS data provided by Bill Whetten.

Exhibit 16.

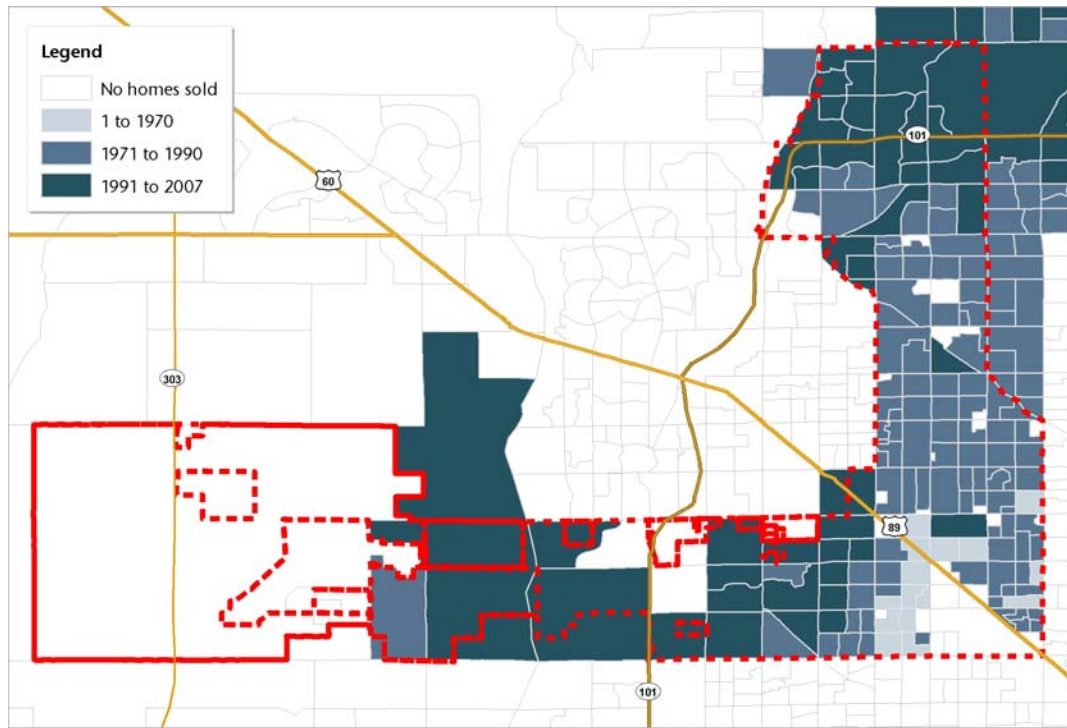
Average Sale Price by Block Group, City of Glendale, January to July 14, 2007



Source: BBC Research and Consulting and MLS sales data provided by Bill Whetten.

Exhibit 17.

Average Year Housing Unit Built by Block Group, City of Glendale, January to July 14, 2007



Source: BBC Research and Consulting and MLS sale data provided by Bill Whetten.

Areas of Risk

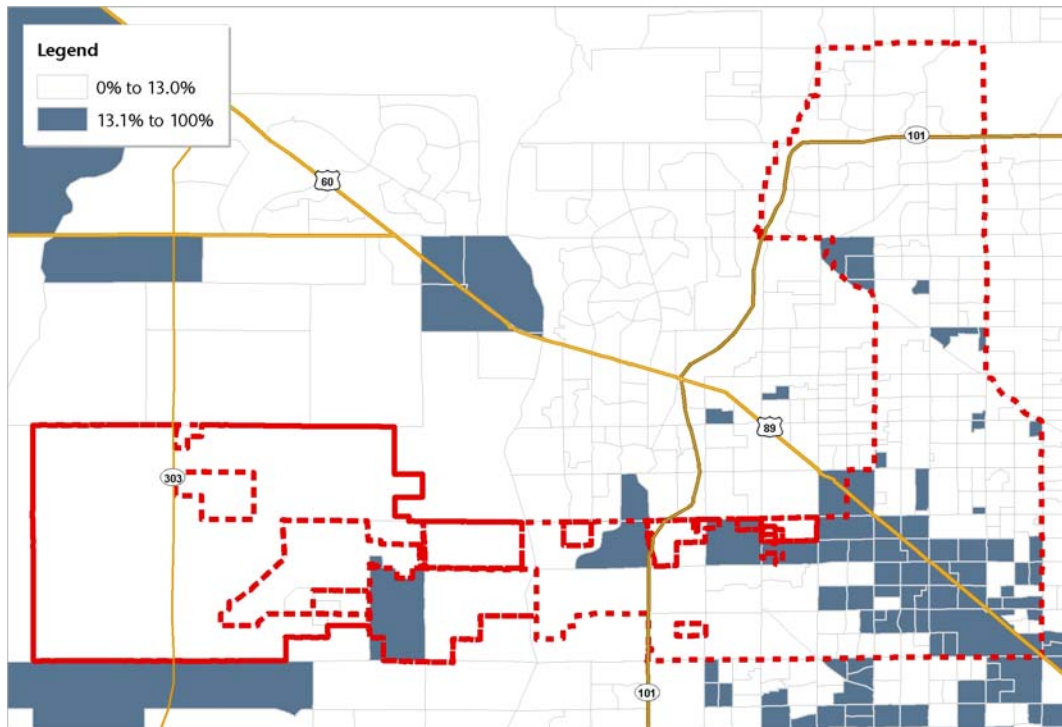
The data collected can also be overlaid through mapping to pinpoint multiple characteristics of certain areas in the City. For example, Block Groups with higher than City averages of families living below poverty level, unemployment rates and renter-occupied housing units could be consider areas that face risk of disinvestment.

Exhibits VI-18 through VI-20, which follow, map these variables individually. Exhibit VI-21 shows an overlay of these variables, indicating which Block Groups have all of the following characteristics:

- Higher than average family poverty rate;
- Higher than average unemployment; and
- Declining population between 2000 and 2006.

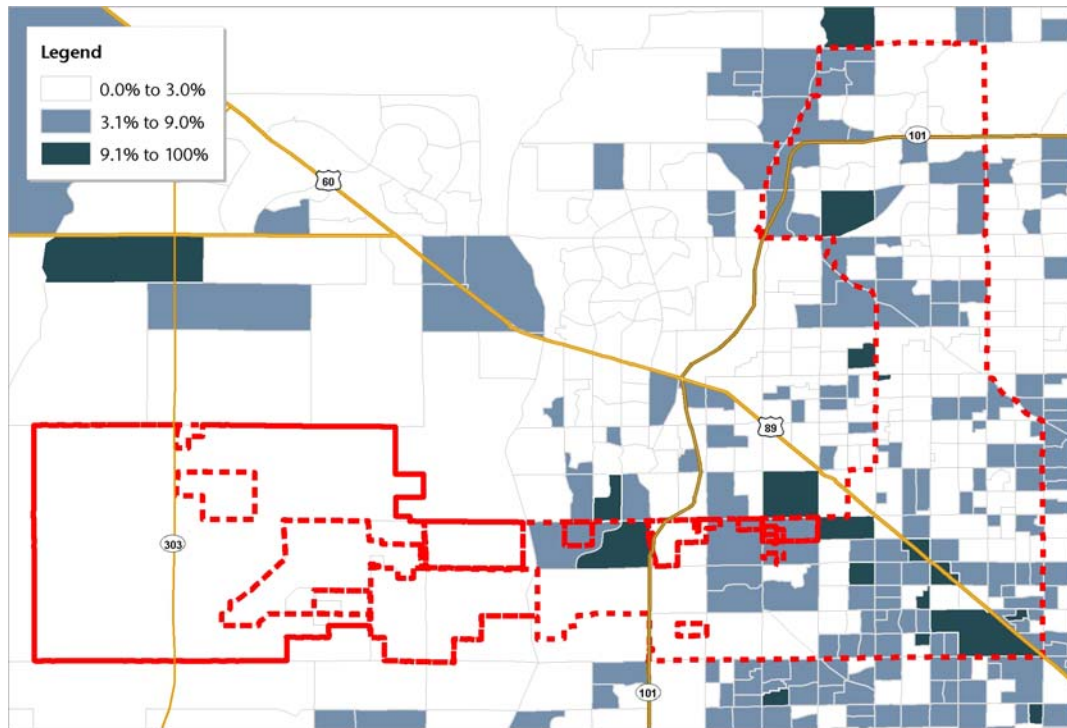
Exhibit VI-18.

Percent of Families Living Below Poverty Level by Block Group, City of Glendale, 2006



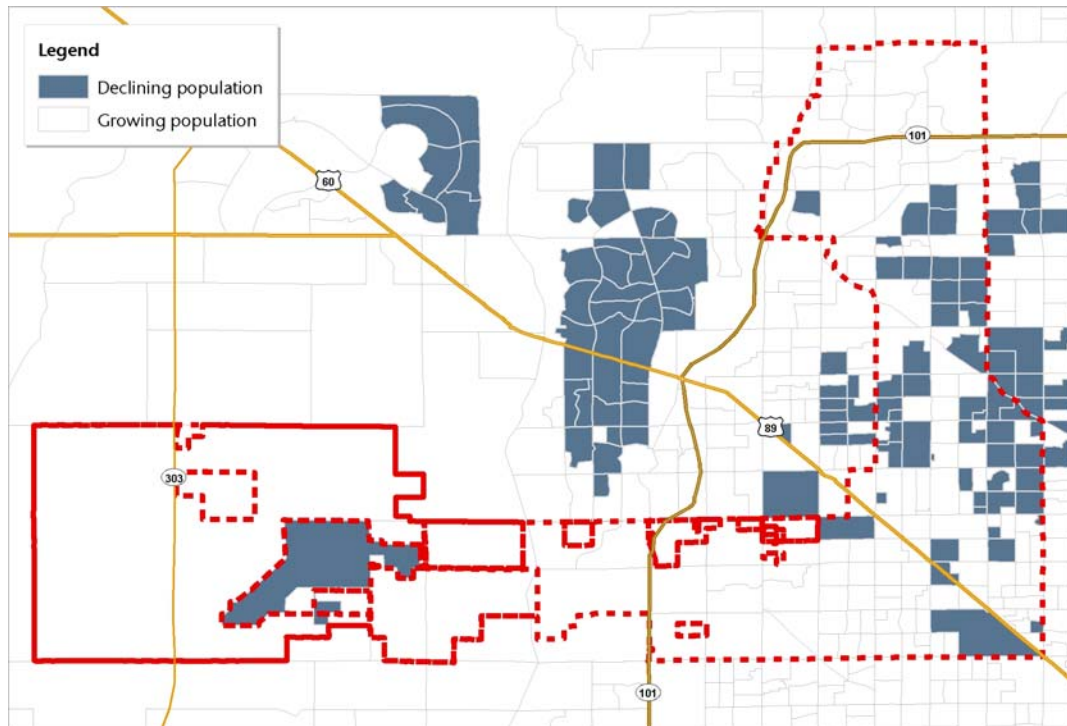
Source: Claritas, 2006 estimates and BBC Research & Consulting.

Exhibit VI-19.
Percent of Employable Population that is
Unemployed by Block Group, City of Glendale, 2006



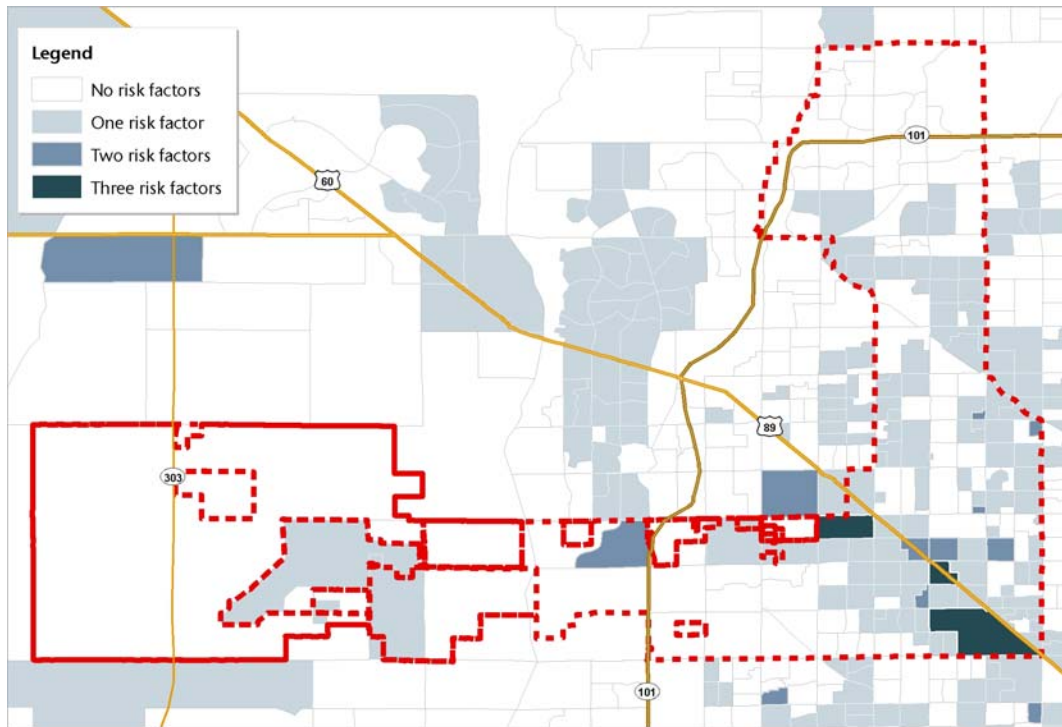
Source: Claritas, 2006 estimates and BBC Research & Consulting.

Exhibit VI-20.
Block Groups with Population Decline, City of Glendale, 2000 to 2006



Source: Claritas, 2006 estimates and BBC Research & Consulting.

Exhibit VI-21.
Risk Analysis by Block Group, City of Glendale, 2006



Note: Risk factors include: 1) Greater than 13 percent of families living below poverty level; 2) Greater than 9 percent unemployment; and 3) Population decline from 1990 to 2006.

Source: Claritas, 2006 estimates and BBC Research & Consulting.